Daily Report

East Europe

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FBIS-EEU-94-193 *5 October 1994*

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable in databases. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

All material in this volume previously disseminated in electronic form.

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Zhulali, Maddox Discuss Military Cooperation

AU0410183794 Tirana LAJME DITE in Albanian 30 Sep 94 p 3

[Report by Astrit Patozi: "Greater Military Cooperation With the United States Is Important For Albania's Interests"]

[FBIS Translated Text] During their meeting, Defense Minister Safet Zhulali and General Maddox, commander in chief of U.S. ground forces in Europe, declared themselves in favor of increased military cooperation between the two countries, which, according to the high-ranking U.S. military official, will be important for Albania's interests.

Zhulali praised the fine military relations between Albania and the United States that had been in place for the past three years and described Gen. Maddox's visit to Albania as a positive indication of the elevation of their level and as a useful follow-up to the visit by U.S. Defense Secretary William Perry to Albania. He added that the potential for cooperation between the two countries had now grown, since the Albanian Army had undergone qualitative changes during its restructuring. Mr. Zhulali continued that the Albanian Army is greatly interested in receiving assistance from democratic countries, and particularly the United States. Among the most urgent needs, he mentioned the fields of logistics and the training of Albanian servicemen abroad, to which Gen. Maddox responded that in principle there were no difficulties and promised that the possibilities of meeting these needs expeditiously will be considered.

At the outset of the talks, Gen. Maddox said that the reason for his visit to Albania was to exchange opinions with the Albanian military leadership on how to further and strengthen cooperation between the two countries in the field of defense. He pointed out that the moment had come for this cooperation to go ahead, because the fruitful exchanges that had taken place at all levels over the past three years had created a good basis for the future.

After the meeting with Minister Zhulali, the U.S. military delegation was received by Major General Sheme Kosova, chief of the Army General Staff, who underlined various aspects of the work done to reform the Albanian Army and create a new military defense doctrine, and spoke of the need for the high preparedness of all military units in line with advanced NATO standards.

Gen. Maddox expressed the readiness of the U.S. side to conduct joint military exercises and maneuvers, which could be a good experience for the Albanian Army.

The two sides then discussed possible fields of joint military exercises, stressing the need for advance planning to guarantee their effectiveness.

Court Refuses U.S. Attorney for Ethnic Greek

AU0410155294 Tirana TVSH Television Network in Albanian 1800 GMT 3 Oct 94

[Report by Armir Shkurti, including recorded interviews with Appeals Court presiding judge Raman Qinani and prosecutor Petrit Duka; place, date not given]

[FBIS Translated Excerpt] The first hearing of the appeal trial of the five Albanian citizens of Greek nationality convicted some time ago by the Tirana Court opened at the Appeals Court today. The court is presided over by Raman Qinani. The prosecution is represented by Petrit Duka, while the five defendants have the same defense attorneys as during the previous trial.

Theodhori Bezhani brought a U.S. attorney to the trial to defend him alongside his Albanian attorney. The chairman of the hearing refused to accept the U.S. lawyer and decided that Bezhani's attorney at the previous trial was competent enough to defend him at the appeal trial, too.

[Begin recording] [Shkurti] Mr. Chairman, under Albanian law, every person has the right to be defended by as many lawyers as he likes. Why did you refuse the U.S. attorney?

[Qinani] Based on the Law on Basic Human Rights in the Republic of Albania and the Law on Attorneys, the court made an interim decision to refuse defendant Bezhani's request to be defended by a U.S. attorney alongside the lawyer that he had during the Tirana Court trial and who is defending him at this trial, too.

[Shkurti] Why? Since he has the right to be defended by as many lawyers as he likes, why did you refuse the U.S. attorney?

[Qinani] As I said, this was done based on the Law on Attorneys. [end recording]

The five defendants pleaded not guilty at the trial. Their attorneys are also convinced that their clients are innocent. [passage omitted]

The defendants denied the facts and evidence listed in the Tirana Court verdict. In the name of all five, Theodhori Bezhani insisted that he had not been in the service of the Greek Asphalia [State Security Service] and that the minority community members were supplied with hunting guns to protect themselves from thieves. Bezhani is convinced that no one can prove his guilt.

[Begin recording] [Shkurti] Mr. Duka, defendant Theodhori Bezhani says: Let someone try and prove that I have met with the Asphalia chief! Is there really someone who will testify to this?

[Duka] The other defendant, Vangjel Papakristo, accused him of conspiring with Asphalia. Let us not forget the diary that I presented as evidence here, which reveals quite clearly the conspiracy among them.

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[Shkurti] Is the diary legal?

[Duka] It is completely legal. The diary is legal evidence and it is incontestable. [end recording]

The prosecutor asked the court to modify the charge against Kosta Qirjako for illegal possession of arms. According to Mr. Duka, two bullets do not constitute a danger to society. For the other defendants, the prosecutor asked that the Tirana Court verdict remain in effect. The prosecutor noted that the Tirana Court did not consider the aggravating circumstance of conspiracy among the defendants.

The next session will resume at 1200 on 6 October, when the court will announce its verdict.

President Receives Messages From European Leaders

LD0410222994 Tirana Radio Tirana in English 1900 GMT 4 Oct 94

[FBIS Transcribed Text] Albanian President Sali Berisha received messages from the European personalities. The Chancellor of the Federal Republic of Germany Helmut Kohl addressed a message to the Albanian President Sali Berisha as a response to the latter's letter concerning the Albanian-Greek crisis. Kohl makes clear the concern of the German Government with the recent developments in the Albanian-Greek relations. He hailed the willingness of Albania to receive foreign delegations who are to give the information on the situation of the Greek minority living in Albania. Kohl points out that the current problems may be settled through dialogue and his government has advised the Greek counterpart to accept without conditions the Albanian offer for dialogue and give explanations to the charges the Albanian Government has raised against it.

The Austrian President Thomas Klestil in his response to Berisha points out the achievements of Albania in the last two years. This is experienced by many delegations and missions which have visited Albania. He expressed his concern for the stability in the Balkans and values the willingness of Albania to resume the talks with Greece.

In his response to the Albanian President Berisha, the Swedish Prime Minister Carl Bildt says Sweden follows with great interest the achievements of Albanian government in the market economy reform. Sweden has backed these efforts and supports the Albanian integration with European family. He welcomed the willingness of Tirana to open dialogue with Athens.

The Croat President Franjo Tudjman in his letter addressed to Sali Berisha expressed his concern for the aggravation of the Albanian-Greek relations and hopes this crisis will be settled through dialogue.

Assembly Chairman Leaves To Attend PFP Meeting

AU0410124594 Tirana TVSH Television Network in Albanian 1800 GMT 3 Oct 94

[FBIS Translated Text] People's Assembly Presidency Chairman Pjeter Arbnori and a parliamentary delegation left for Bulgaria today. Arbnori will participate in the international conference of Partnership for Peace [PFP] and NATO in the Balkans, which has been organized by the Atlantic Club of Bulgaria under the patronage of Bulgarian President Zhelyu Zhelev.

Article Views Development of Banking System

AU0310063394 Tirana RILINDJA DEMOKRATIKE in Albanian 20 Sep 94 p 4

[Article by Fatos Cocoli: "What Are the Banks Doing in Albania?"]

[FBIS Translated Text] In the entire sphere of the economy, banking operations are the least well understood by ordinary people. This is true not only in Albania. Banking information is difficult to understand the world over. However, in our country, the totalitarian regime turned the bank into a temple of "lofty interests of the state and party." Monetary policy and the amount of money in circulation, bearing in mind also the limited resources of the banks at that time, were the purview of a handful of people. Banking operations remained thoroughly centralized to the end.

Prior to 1992, the structure of the banking system in Albania was typical of a centrally planned economy. Until the end of 1991, this system included three main state banking institutions: the State Bank of Albania, which acted as both a central and commercial bank (a central bank does not accept money deposits from ordinary citizens or traders, and makes no loans to them either, as a commercial bank does. Its primary role was to strictly control the amount of money in circulation). The Savings Bank—the repositary of all savings of the Albanian population—by redepositing them in the State Bank, acted simply as an additional cash till for the State Bank, a kind of servant cleaning the courtyard and picking up the fruit. The State Agricultural Bank administered loans to the state farms and agricultural cooperatives.

By the end of 1991, the Savings Bank was authorized to carry out universal banking operations. In other words, it began to grant the first limited loans to merchants for goods and private sector initiatives.

At the same time, the State Agricultural Bank ceased its operation, and the Bank for Agriculture and Development was created in its place. A fourth state bank, the Commercial Bank of Albania, was set up in January 1991 by the Directorate of Foreign Relations in the State Bank of Albania to act as a bank for trade with other countries with a centralized economy, to perform transactions (banking operations such as payments, loans, etc.) for state enterprises, and to regulate trade with the former East European CEMA [Council for Mutual Economic Assistance].

When the Albanian parliament ratified the laws on the central and commercial banks, a new, two-tier banking system was created. Now the State Bank of Albania

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became the Bank of Albania, performing only the functions of a central bank. Its former commercial operations were passed to the National Bank of Albania in July 1992. From the outset, the balance sheets of the two banks were not clearly defined or separated from one another, so their relationship remained somewhat confused. The Bank of Albania did not quite function as a real central bank. Lacking experience and properly trained staff, it continued "sitting on two stools." Later, on 1 January 1993, after the situation became clearer, the Commercial Bank of Albania and the National Bank of Albania (the first engaged mainly in administering the foreign currency belonging to state enterprises, and the second in running their Albanian lek accounts) merged into one—the National Commercial Bank of Albania. In October 1993, the Bank for Agriculture and Development was once again streamlined, passing its successful operations to another new bank called the Agricultural Commercial Bank of Albania, which was designed to cater better for the agricultural boom occurring in the country.

As far as banking operations are concerned, by mid-1992 all the commercial banks were allowed to act as universal banks, meaning that they could accept deposits and make loans to businessmen, the population at large, and state enterprises.

Despite being given legal and procedural permission to expand its operations in all fields, the banking network remained segmented because of outdated thinking, lack of qualified personnel, and shortcomings in organizing the state administrative banking network. For example, at the end of September 1993, the Savings Bank, while possessing 85 percent of the deposits of the entire population, made only 7 percent of all the country's loans, whereas the National Commercial Bank (based in the State Bank building in downtown Tirana), holding 90 percent of the accounts of enterprises, was making 90 percent of all loans. In other words, the bank with more money was making fewer loans, and vice versa.

In contrast to the slow development of the commercial banks, and thanks to help from international financial institutions such as the IMF, the Bank of Albania (central bank) is doing quite well. With its newly created departments such as the Department of Monetary Control and the Department of Statistics, it is strictly overseeing the amount of leks in circulation, has virtually ceased granting unjustified loans to unproductive and inefficient state enterprises, is tightening the reins on the commercial banks' lek operations, and is now trying hard to pay off the country's foreign debt and compete with its sister commercial banks.

However, racked by defaults on loan repayments and accumulated debts, the sister banks are far from being out of trouble. Now the need to carry out a speedy and total privatization, which is felt in the Albanian economy at large, is coming to the fore on the Albanian banking scene. It is a mere illusion to hope that the state commercial banks will fully recuperate and will properly supply the loans for the fast rate of development that the county badly needs. At this time of massive investment in infrastructure and attempts to boost Albania's credibility among foreign potential investors, the state commercial banks, which are lagging further and further behind, must be privatized. Only a radical transformation in the structure of banking services will guarantee success in the colossal undertaking of totally privatizing our country's and the development of a modern stock exchange for the Albanian economy.

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Zhelev, Moldova's Snegur Discuss PFP Cooperation

AU0410191894 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 4 Oct 94

[FBIS Translated Text] On 4 October President Zhelyu Zhelev received Moldova's President Mircea Snegur, who is making an unofficial visit to Bulgaria.

The two presidents discussed bilateral economic cooperation. Establishing relations within the Partnership for Peace program was also discussed.

Zhelev, Arbnori Stress 'Stabilizing' Balkans Role

AU0410201294 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 4 Oct 94

[FBIS Translated Text] On 4 October President Zhelyu Zhelev received Albanian People's Assmebly Chairman Pjeter Arbnori. The problems resolved by the two countries were discussed. The common opinion was expressed that the two countries' orientation toward the European structures is an option both countries intend to fully utilize.

The situation in the Balkans was also discussed. It was pointed out that Bulgaria and Albania are called upon to play a stabilizing role in the Balkans with their moderate behavior.

Dimitrov Views Elections, Agreements With Parties

AU0410191994 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 4 Oct 94

[FBIS Translated Text] The National Coordinating Council of the Union of Democratic Forces [SDS] has confirmed that it will insist on an open vote on the new cabinet at the National Assembly.

If any of our blue [SDS] deputies should vote to hold a secret ballot, he would no longer be an SDS member, Filip Dimitrov, SDS leader said. If the president does not issue a decree on dissolving parliament and does not set a date for the new elections within a period of 60 days, this would mean that the Constitution has been violated, or in other words, that there has been a putsch, Mr. Dimitrov added.

According to Mr. Dimitrov, the election of Georgi Markov as Constitutional Court judge shows that Mr. Markov retires from active political life and receives a big reward for his good behavior. For his part, Stefan Savov is relieved of a heavy burden, especially due to the fact that the election lists must be composed, Mr. Dimitrov said.

Mr. Dimitrov stressed that the SDS already has complete information regarding the demographic, social, and electoral characteristics of every municipality in Bulgaria. The preparation of preelection agreements with other political forces with a view to forming a joint ticket proceeds apace, he said.

BSP Leader: Party Not To Support Ludzhev Cabinet

AU0410152494 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 4 Oct 94

[FBIS Translated Text] Too late my son, Nora Ananieva said to Dimitur Ludzhev when they met in parliament. According to Mrs. Ananieva, at this stage the third mandate will not generate sufficient support.

She categorically pointed out that regardless of whether voting in parliament will be open or secret, the Bulgarian Socialist Party [BSP] will not support forming a third cabinet within the framework of this parliament. Despite this the BSP parliamentary faction will continue its political dialogue with New Choice bearing in mind the situation after the elections, Mrs. Nora Ananieva pointed out at the regular BSP news conference.

This morning the BSP Executive Bureau and parliamentary faction assessed the country's political situation, the preelection situation, the attitude toward the third mandate, the preparation of the BSP preelection documents, and the Socialists' partners before, during, and after the elections. All this will be discussed at a regular party plenum on Sunday [9 October].

According to Nora Ananieva the appointment of Georgi Markov as member of the Constitutional Court could mark the beginning of the development of an anticonstitutional court.

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Prime Minister Klaus on Economic Reforms, EU

BR0410130294 Paris LE FIGARO in French 4 Oct 94 p 6

[Report on interview with Prime Minister Vaclav Klaus by Laure Mandeville in Paris; date not given]

[FBIS Translated Text] Optimism. That is what is now felt by Vaclav Klaus, the enthusiastic prime minister of the Czech Republic.

"I am optimistic because the transition of the Central European countries is generally a success," the man who is sometimes called the "Czech Thatcher" because of his extreme economic liberalism explained. "The Czech Republic has become a political democracy that is entirely comparable to the Western democracies." He added: "We have also built a veritable market economy. Do you know that the privatization of the Czech economy will be completed between now and the end of 1994! There will be only residual choices to be made, on the privatization of air transportation, the railroads, or telecommunications, as in France and Belgium."

Vaclav Klaus says he is therefore rather irritated by the West's "extreme pessimism." "The Western countries tend to exaggerate the risks of instability that threaten the region," he said. "They see Central Europe through the spectacles of Sarajevo. They unconsciously analyze the Yugoslav tragedy as a postcommunist syndrome, something likely to spread elsewhere. They forget that Sarajevo is the exception, that it is a unique phenomenon. So they produce increasing numbers of stability pacts and conferences. That is all rather extreme."

Another source of optimism is Europe. His meetings with French officials and especially with Edouard Balladur were "very positive," he stressed to emphasize the disappearance of Franco-Czech tensions. A little over a year ago, during a tour of Central Europe by Alain Juppe, Prague accused Paris of hampering its membership in the European Union [EU].

"Edouard Balladur has clearly stated that France is in favor of expansion of the EU," Mr. Klaus now notes with satisfaction. "The only remaining question is on what date and at what pace."

The Prague government chief welcomed the opening of a new debate on Europe. "The CSU-CDU [Christian Social Union-Christian Democratic Union] initiative and the recent speeches by Mr. Balladur and Mr. Major have created a new and very productive atmosphere. In recent years, I have had the very unpleasant feeling that anybody slightly critical of the Maastricht Treaty was accused of extremism. But Europe is a continent running at varying speeds. Trying to lump all of the countries together is artificial."

Objective: The European Union

Entry into the European Union is still clearly the main objective. And take care not to talk to Vaclav Klaus about the Visegrad agreement between the Czech Republic, Poland, Slovakia, and Hungary! "Why do people always talk to me about this nonexistent Visegrad. In two years and six months, I have never been invited to any meeting connected with that agreement. It is a Western myth. Let us talk instead about CEFTA (Central European Free Trade Association), the free trade area that has been formed among these four countries."

Inflation under control, a balance of trade and a balanced budget, soaring foreign investments, an unemployment rate of 3.2 percent... In Western business circles, there is increasing talk of the "Czech miracle." But, when you ask Vaclav Klaus how he, an advocate of extreme economic liberalism, was able to pursue his reform and remain popular when all of the other Central European countries were bringing the former communists back to power, he talks not about economics but about politics.

The secret, he said, is not to be solely content with implementing economic recipes. "An overall plan and a means of presenting and explaining it to the population was also necessary. I formed a party, the Civic Democratic Party, that carried out that explanatory work. The Poles have never had any party supporting the reforms."

What is also important, this fighter explained, "is not to get lost in internal fighting," "not to call a halt to the reforms." Vaclav Klaus explained didactically, "It is the bicycle theory: As long as you pedal, it moves, but if you stop, you fall."

Moreover, the prime minister refused to go into detail about what it not going well. What about the social cost of the reforms? "Of course, the social cost exists, but I think we have a rational and acceptable social policy." What about the disagreements between his party and other members of the center-right coalition over the law on the Senate? "These are unimportant internal quarrels. The fact that we do not yet have a Senate does not prevent our country from being a democracy. Since when has the number of institutions been a guarantee of democratization?"

What about his bad relations with President Havel, known for his allergy to extreme economic liberalism? "That has been being greatly exaggerated; it is not worth talking about."

Even Russia does not arouse any special worries in Vaclav Klaus. In this he differs from many Czechs and Poles who are worried by a possible resurgence of Russian imperialism. "We must not turn Russia into a bugaboo. I think it is an exaggeration to attribute neoimperial leanings to it. I am convinced that it will be fully absorbed by its problems for a long time. I therefore do not expect any startling initiatives on the international scene."

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Bank Head on Relations With IMF, World Bank

AU0410213594 Prague HOSPODARSKE NOVINY in Czech 30 Sep 94 p 7

[Interview with National Bank Governor Josef Tosovsky by Marcela Doleckova and Olga Skalkova; place and date not given: "Czech National Bank Assesses Cooperation With IMF Positively; Czech National Bank Governor Josef Tosovsky Grants an Interview to HOSPODARSKE NOVINY Before His Departure for the Annual Meeting of the IMF and the World Bank in Madrid"]

[FBIS Translated Text] [HOSPODARSKE NOVINY] From the viewpoint of the number of its members, the IMF is today truly a global organization. Nonetheless, complaints can be heard from time to time about the IMF being hypertrophic and too tough in exerting pressure on the policies of debtor countries' governments. How do you view this problem?

[Tosovsky] We have been cooperating with the IMF very well from the very beginning. The medicine that the IMF administers is generally applicable. Of course, certain differences between individual countries need to be taken into consideration. If the Czech Republic is sometimes referred to today as an emerging market [preceding two words in English], I would say that, at most, we are a reemerging market [preceding two words in English] because there was a functioning banking and financial system here before the war. Of course, there are countries where nothing of that sort existed and that have a different culture and different traditions. This should perhaps be taken into consideration a little. Moreover, in our case, because our program had been prepared very well, the IMF reacted very quickly and extended to us financial support very soon. In this way, it endowed this program with internal and external credibility. This is, I think, the IMF's main task, which I would like to appreciate. I do not have any reservations about the IMF, not even regarding bilateral consultations. They are always quintessentially professional negotiations.

[HOSPODARSKE NOVINY] The World Bank's credit activities are also viewed with considerable skepticism in some circles. As far as we know, for the time being, there exist no credits in the Czech Republic from this source. How can this be explained?

[Tosovsky] The World Bank came to the Czech Republic (the then CSFR) immediately after the changes of 1990-91. It offered us a number of programs and may not even have realized that we were not yet prepared for them. We had to introduce a functioning, efficient, and effective system first. That takes time. Releasing money into the economy earlier might have caused more harm than good because no suitable projects existed then. Mutual activities between the World Bank and the Czech Republic therefore cooled off somewhat. Today, however, major infrastructure projects are on the agenda—railroads, highways, telecommunications—and the World Bank should definitely become involved in financing these.

[HOSPODARSKE NOVINY] Do you consider credits from these sources advantageous?

[Tosovsky] This is a problem, of course. Both international institutions mostly serve countries that do not have access to credit resources, which is not our case today. As for the loan we obtained from the IMF and have repaid this year ahead of schedule, today, given our present rating, we would probably obtain it under better terms. I must say, however, that the then IMF terms were not bad. In those days they were even excellent because we did not have access to the market then.

[HOSPODARSKE NOVINY] Leaving aside the prestige associated with IMF membership, what other advantages are there for us from membership?

[Tosovsky] At the moment, we do not derive any material advantages from membership. However, membership permanently guarantees the possibility of access to resources, whenever and under whatever circumstances we may need them. Furthermore, like every member country, we conduct regular consultations at a high professional level. The results of these consultations serve as a certain barometer of how foreign experts view us. This may not be anything tangible, but I consider this to be perhaps even more important than receiving credits.

[HOSPODARSKE NOVINY] Sessions such as the annual IMF and World Bank meeting in Madrid are accompanied by a number of various bilateral meetings. What is on your agenda?

[Tosovsky] We have been asked for meetings at the level of finance ministers and central bank governors by Kyrgyzstan, Armenia, and Belarus and have accepted these invitations. Furthermore, there will be consultations with IMF experts, and I will have a number of other meetings. I have received dozens of invitations from renowned commercial banks from throughout the world, starting, for example, with Barclays and ending with the Commerzbank.

[HOSPODARSKE NOVINY] Are the invitations from state officials an expression of their interest in Czech know-how regarding, for example, maintaining monetary stability?

[Tosovsky] I think so, but more than monetary stability is involved. The governor of the Armenian central bank, for example, requested that its staff be given an opportunity to become acquainted with the safe-deposit vault system [trezorove hospodarstvi] and its operation, with how we work with bank notes, how we withdraw them from circulation and issue new ones, and what safety regulations we have. We have already complied with their request.

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[HOSPODARSKE NOVINY] Do you provide this technical assistance free of charge?

[Tosovsky] Hardly anyone knows this, but, so far, we have really been doing everything for free. I am even considering setting up some kind of fund of technical assistance at government level because the number of states that are turning to us is steadily growing.

Spent Nuclear Fuel To Be Returned From SR

AU0510081694 Prague RUDE PRAVO in Czech 27 Sep 94 p 2

[Article by Radek Wanke: "Spent Fuel From Dukovany Will Be Returned to the Czech Republic"]

[FBIS Translated Text] The intermediate storage site for spent nuclear fuel on the premises of the Dukovany nuclear power plant must be completed no later than August of next year, so spent fuel rods from Dukovany that are currently stored in Jaslovske Bohunice [in western part of Slovak Republic, SR] may be deposited there, Jaroslav Mil, fuel-cycle department chief of the Czech Power-Generating Works (CEZ) division for nuclear power plants, told RUDE PRAVO.

The July 1995 deadline for the transportation of 1,176 spent fuel rods, weighing 141 metric tons, is fixed in a contract between CEZ and the Slovak Energy Enterprise (SEP) because the Jaslovske Bohunice plant needs space to store its own spent nuclear fuel. The capacity of the intermediate storage site being built in Dukovany therefore reckons with the transportation of spent fuel rods from Slovakia; a maximum of 600 metric tons of spent fuel are to be stored in Dukovany by 2005. The so-called central intermediate storage site should be built by then.

As Mil said, the construction of the Dukovany intermediate storage site is behind schedule because of problems associated with the acquisition of a building permit. Nonetheless, he is convinced that the intermediate storage site will be completed by next August. The building project is not a complicated one. Protection against radioactive radiation will be provided by special containers.

Dukovany To Choose Nuclear Fuel Supplier

AU0410213394 Prague HOSPODARSKE NOVINY in Czech 30 Sep 94 p 6

[Article by Pavla Safrankova: "Dukovany Nuclear Power Station Is in Process of Selecting Fuel Supplier for Four VVER Reactors"]

[FBIS Translated Text] The Dukovany nuclear power station (JED) has so far generated more than 100 terawatt hours of electricity without endangering the environment, according to the international scale. According to Petr Spilka, press spokesman of the station, given the JED's planned service life of 30 years, this quantity represents one-third of the station's entire projected output. The JED produces almost 25 percent of the overall electricity generated in the Czech Republic. It has produced approximately 500 metric tons of radioactive waste that must be stored in the coming decades so that its radioactivity subsides.

On the basis of a construction permit issued this June, the CEZ [Czech Power-Generating Works] Prague shareholding company has started building an intermediate storage site for spent fuel on the premises of the Dukovany nuclear station, where radioactive waste currently stored in so-called pools should be gradually transported until the end of 1995. So far, the construction of the so-called footings [zakladove patky] has been completed. June 1995 has been set as the deadline for the completion of the project. "However, the approval of the storage site for use is dependent on the issuing of a production and transportation license for the Castor 440-type containers, not only by the Czech State Nuclear Safety Office in the Czech Republic, but also in the FRG, the country of the manufacturer—a consortium of GNS Essen and NUKEM Alzenau," Petr Spilka says.

Dukovany has just initiated the second round of a tender for the delivery of nuclear fuel for four VVER's [water-moderated water-cooled power reactors], with thermal output [tepelny vykon] of 1,375 megawatts. According to Rudolf Vespalec, chief of the reactor department, the U.S. Westinghouse company, which already has a contract for nuclear fuel deliveries to the Temelin nuclear station, the EVF company, which was established by the French Framatom and the German Siemens, and the current fuel supplier, the Russian firm TVEL, have been selected in the first round of the tender out of six world producers of nuclear fuel to have submitted bids. The main requirements are the fuel's long-term prospects from the technical and economic points of view and the offer of know-how regarding fuel strategy [nabidka know-how strategie paliva], including a higher burn-up factor than that achieved by the current supplier's fuel.

Consultancy and advisory services for JED are provided by the U.S. Stoller consulting company. Stoller, which specializes in nuclear technology engineering, participated, together with the Swiss firm Coloco, in the selection of fuel for the Temelin nuclear power station. Together with Stoller, JED analyzes and evaluates the effectiveness of the offers made by companies participating in the tender. The winner of the tender should be known late this year or early next year. After that, JED will draft the final version of the contract. In the first six months of next year, the contract should be presented for approval to the CEZ management.

Prime Minister on Privatization of Refineries

AU0510100794 Prague DENNI TELEGRAF in Czech 30 Sep 94 p 3

[Interview with Prime Minister Vaclav Klaus by Petr Bakovsky on 29 September; place not given: "Government Has Not Yet Specified Final Shape of Privatization of Oil Refineries"]

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[FBIS Translated Text] In today's regular interview with Prime Minister Vaclav Klaus, we will discuss the Cabinet's decision on the privatization of oil refineries and other events of last week.

[Bakovsky] The government yesterday decided on the method of privatizing oil refineries. What made the government ministers reach the decision to give preference to foreign investors over the "Czech" path?

[Klaus] The government yesterday decided not more, and not less, than that there should be a property link-up between [the only two Czech oil refineries] Kaucuk Kralupy and Chemopetrol Litvinov, with the proviso that the new entity thus established should enter into negotiations with a foreign consortium. For the time being, the government has not determined the final shape of the two Czech firms' property link-up, nor has it specified all preliminary conditions that we will formulate at negotiations with the foreign consortium. The government merely set down the task by when these two matters should be prepared and announced that the deadline of 31 January 1995 has been reserved for negotiations with the foreign consortium. Either an agreement will be reached by then or not. If not, we will start looking for another method of privatizing oil refineries.

[Bakovsky] Finance and Agriculture Ministers Kocarnik and Lux have reacted negatively to the Slovak abolition of compensatory allowances for selected types of food products. How do you assess this step?

[Klaus] Some time ago, I said that I would not comment on Slovak affairs before the Slovak election. The reason is that the steps being taken right now are not of a long-term conceptual nature but are geared, rationally or irrationally, toward the Slovak election. It seems to me absolutely superfluous to make a comment one day before the election. These things need some time, so let us give ourselves this time. We will start serious negotiations with the new Slovak Government, which will surely have a longer-term mandate than the present government.

[Bakovsky] Mr. Prime Minister, how do you assess your visit to France and, in particular, your talks with Prime Minister Balladur?

[Klaus] France is an important European country, communication with which is immensely needed. I have been following the evolution of views in France about Europe and about us for several years, and, during each visit, I discover there a shift in a direction that I welcome and like. I believe that the level of information is growing and that the understanding of problems is moving in the direction where we stand. Not only my visit to southern France, where I had a number of meetings with people at the level of prefects, mayors, deputies, and representatives of business circles, but also my meetings with the three undoubtedly most influential politicians of present-day France—Balladur, Chirac, and Pasqua—truly indicated shifts in the above direction, and I am pleased about it.

[Bakovsky] The Club of Czech Border Regions organized a demonstration [against the "Germanization" of Czech border areas] in Cheb, which the mayor of Cheb first banned and which the court subsequently approved. What do you think about the demonstration?

[Klaus] I would like to draw attention to one important thing: We are simply a democratic country and a society that some people refer to as civic, while I prefer to translate that term as society of free citizens. I consider it natural for people to assemble voluntarily and without being limited by anyone in order to demonstrate their own true interests. I cannot but understand the Cheb event as a voluntary appearance by a certain group of Czech citizens, whose size is small, in my opinion. And, because I do not think there was a breach of law or anything of that sort, this event simply belongs to the same category of expression of views by citizens of this country as any other activity.

Look, this demonstration in the border region was attended by fewer people than my last public rally at Prague-Modrany a week ago. You also have to remember that attendance at Prague rallies always falls short of rallies in other cities, where one does not have the chance to see the prime minister that often. Nevertheless, the meeting of citizens with me at Prague-Modrany was also a congregation of a certain group of people expressing certain views. Yet we are not discussing it; it is not the subject of commentary and newspaper articles. Let us simply concede that this is an expression of our democracy—nothing more and nothing less. If demonstrations such as the one in Cheb started to assume a quite different mass character, in that case I, as a politician but also as an analytical mind, would start devoting myself to this phenomenon more seriously and would start speculating what it reflects and signifies.

Pilots: Regiments's Abolition Jeopardizes Defense

AU0410194894 Prague RUDE PRAVO in Czech 23 Sep 94 p 3

[Article by "ch": "State Air Defense Will Apparently Be Jeopardized, the Ceske Budejovice Pilots Claim"]

[FBIS Translated Text] Ceske Budejovice—The abolition of the 1st Fighter Aircraft Regiment and the formation of a fighter base at Caslav Airport will apparently result in the elimination of a system for which there will not be created an adequate replacement. This is a claim made by the pilots of the 1st Fighter Aircraft Regiment in Plana near Ceske Budejovice. Nevertheless, this change will cost the taxpayers, they believe, an exceptional amount of money, without a resulting effect.

The Air Force pilots, therefore, as Lieutenant Colonel Josef Miler told RUDE PRAVO, have addressed a letter

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to the chairman of the Defense and Security Committee of the Czech parliament, Vladimir Suman:

"We are convinced that a long-term and dependable system of fighter aircraft regiment operation has been established at Ceske Budejovice Airport. Caslav Airport, on the other hand, is still burdened by unclarified restitutions, and its technical state before the overhaul does not facilitate the operation of the expected number of aircraft and safety equipment. Moreover, the location of the airport is not suitable for the training of pilots because it lies near flight routes and a Prague-controlled civilian airport, which complicates training and risks collision situations," Miler said.

The pilots are also disturbed by the removal from service of the most efficient MiG-29 aircraft and their alleged replacement with an already antiquated modified MiG-21, which is causing astonishment even among foreign experts from NATO countries. According to the Air Force pilots, social security, which apparently will be insufficient in Caslav for several years, will also cause a lot of problems, and many technical experts and pilots with the highest qualifications will leave the armed forces. There is already a shortage of money to adequately safeguard operation and training, and the number of flying hours is so small that it borders on a gamble. "We believe that neither the parliamentary committee nor other deputies are sufficiently well acquainted with the situation, and, therefore, we have turned to them by means of a letter because there is still time to reverse this erroneous decision," Lt. Col. Miler added.

Police Comment on Seizures of Semtex

AU0410155094 Prague DENNI TELEGRAF in Czech 3 Oct 94 pp 1-2

[Article by Kristian Chalupa: "Czech Police Seize Several Hundred Kg of Semtex Every Year"]

[FBIS Translated Text] Every year, several hundred kg of Semtex, stolen from civilian or military warehouses and even directly from the manufacture in Semtin, are seized in the Czech Republic.

The police recorded their greatest success in eastern Bohemia last year, when they spoiled a deal involving more than 200 kg of this dangerous explosive. According to the head of the Brno branch of the Criminal Police Center, Petr Dvorak, about 20 attempts to trade in Semtex have been foiled in southern Moravia since 1990. Foreigners have also been detained in these operations, most of them citizens of the former Yugoslavia.

Our "enterprising people" occasionally attempt to offer their goods directly abroad. Last summer, Austrian security agents detained on a highway near Vienna three citizens of southern Moravia who were attempting to sell drugs and a certain amount of Semtex. This world-famous explosive has also been offered for sale in the Czech Republic by foreigners. In the middle of last week, the south Moravian police, assisted by the vice squad, foiled a prearranged contract between a four-member group of Slovaks and an individual from the Trutnov region and his associate. The Slovak citizens were trying to sell 22 kg of red Semtex. Major Dvorak also told us that 1 kg of Semtex can fetch as much as 5,000 German marks on Western markets. "So far, we have not encountered any professional terrorists who would want to use the explosive directly. In all of these 20 instances, we were dealing with middlemen, who were only in it for the money," Petr Dvorak said. At the same time, he confirmed that businessmen with temporary financial problems quite often participate in these risky deals.

The explosives expert of the south Moravian Police Administration, Vladimir Martinovsky, told us that explosives with similar characteristics and effects are produced in the United States and some other states. In connection with various terrorist attacks abroad, however, the Western media have done such a great job in advertising the product of "golden Czech hands" in Semtin that buyers usually ask for Semtex. The funny thing is that its use in terrorist operations has often not been proved. According to Martinovsky, Semtex is very advantageous: It is safe to handle, it can even be fired with an infantry weapon, and it can easily be shaped. Thanks to this, an even greater effect can be achieved. The explosion must be triggered by a detonator. Red Semtex is intended for various applications in quarries and elsewhere, while black Semtex is used for military purposes. For instance, 50 grams of this explosive is enough to fill a hand grenade. For this and other reasons, Czech Semtex still is among the most popular products of its kind anywhere in the world, Vladimir Martinovsky said.

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Meciar's Party Reportedly Wins 61 Seats

LD0410131994 Prague Radiozurnal Radio Network in Czech 1200 GMT 4 Oct 94

[FBIS Translated Text] According to unofficial information, after the second scrutiny, the winner of the Slovak parliamentary election, Vladimir Meciar's Movement for a Democratic Slovakia, in coalition with the Farmers' Party of Slovakia, will gain a total of 61 out of 150 seats. Official results will be released by the Slovak Electoral Commission, which so far has allocated 142 deputies' mandates to the seven successful groups.

According to today's edition of PRAVDA, after the eight remaining mandates are allocated, Joint Choice, led by the Party of the Democratic Left, should have 18 mandates, the Hungarian coalition 17, and the Christian Democratic Movement also 17. Prime Minister Moravcik's Democratic Union will have 15 mandates, the ultraleft Association of Workers of Slovakia 13, and the Slovak National Party nine.

Daily Provides Complete Election Results

AU0410185394 Bratislava NARODNA OBRODA in Slovak 3 Oct 94 p 2

[Unattributed tables: "Share and Number of Valid Votes Cast for Political Parties"]

[FBIS Translated Text]

Share of Valid Votes Cast for Political Parties[1]

Political Party	Slovak Republic Total	Bratislava	West Slovakia	Central Slovakia	East Slovakia
1. Movement for a Prosperous Czecho-Slovakia	1.05	0.68	1.07	0.69	1.54
2. Social Democracy	0.24	0.13	0.18	0.26	0.34
3. Association of Workers of Slovakia	7.34	3.99	5.48	7.74	10.14
4. Hungarian Coalition (Hungarian Christian Democratic Movement, Coexistence, Hungarian Civic Party)	10.18	3.41	20.71	4.51	5.99
5. Common Choice (coalition of the Party of the Democratic Left, Social Democratic Party of Slovakia, Green Party of Slovakia, Farmers Movement of the Slovak Republic)	10.41	13.88	9.39	8.66	12.62
6. Democratic Union of Slovakia	8.57	18.40	6.45	7.86	9.02
7. Party Against Corruption—for Order, Work, and Money for All Decent Citizens	1.31	1.53	1.30	1.18	1.41
8. Association for the Republic-Republicans	0.04	0.02	0.04	0.03	0.07
9. Democratic Party	3.42	5.82	2.80	3.20	3.73
11. New Slovakia	1.33	2.31	0.93	1.33	1.52
12. Communist Party of Slovakia	2.72	1.40	2.27	2.46	3.96
13. Romany Civic Initiative in the Slovak Republic	0.67	0.10	0.28	0.30	1.75
14. Slovak National Party	5.40	9.11	5.53	6.57	2.79
15. Christian Democratic Movement	10.08	12.42	8.14	8.18	13.91
16. Movement for a Democratic Slovakia, Farmers Party of Slovakia	34.96	25.44	33.56	44.35	28.71
17. Christian Social Union of Slovakia	2.05	1.22	1.65	2.51	2.27
18. Real Social Democratic Party of Slovaks	0.12	0.06	0.13	0.09	0.15

[1] Because of the publication of relative data rounded to the second decimal place, the amounts do not necessarily add up to 100.

[There is no number 10 because the party that was assigned number 10, the Liberals, withdrew from the election three days before the first day of voting.]

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Number of Valid Votes Cast for Political Parties

Political Party	Slovak Republic Total	Bratislava	West Slovakia	Central Slovakia	East Slovakia
1. Movement for Prosperous Czecho-Slovakia	30,292	1,607	10,254	6,307	12,124
2. Social Democracy	7,121	325	1,740	2,354	2,702
3. Association of Workers of Slovakia	211,321	9,337	52,170	69,973	79,841
4. Hungarian Coalition (Hungarian Christian Democratic Movement, Coexistence, Hungarian Civic Party)	292,936	7,981	196,961	40,783	47,211
5. Common Choice (coalition of the Party of the Democratic Left, Social Democratic Party of Slovakia, Green Party of Slovakia, Farmers Movement of the Slovak Republic)	299,496	32,481	89,372	78,241	99,402
6. Democratic Union of Slovakia	246,444	43,062	61,351	71,025	71,006
7. Party Against Corruption—for Order, Work, and Money for All Decent Citizens	37,929	3,602	12,444	10,743	11,140
8. Association for the Republic-Republicans	1,410	54	429	307	620
9. Democratic Party	98,555	13,626	26,641	28,910	29,378
11. New Slovakia	38,369	5,405	8,850	12,081	12,033
12. Communist Party of Slovakia	78,419	3,278	21,662	22,300	31,179
13. Romany Civic Initiative in the Slovak Republic	19,542	255	2,705	2,776	13,806
14. Slovak National Party	155,359	21,324	52,675	59,363	21,997
15. Christian Democratic Movement	289,987	29,065	77,415	73,967	109,540
16. Movement for a Democratic Slovakia, Farmers Party of Slovakia	1,005,488	59,530	319,239	400,642	226,077
17. Christian Social Union of Slovakia	59,217	2,857	15,761	22,687	17,912
18. Real Social Democratic Party of Slovaks	3,573	156	1,307	884	1,226
Total	2,875,458	233,945	950,976	903,343	787,194

[There is no number 10 because the party that was assigned number 10, the Liberals, withdrew from the election three days before the first day of voting.]

[Also on 3 Oct, NARODNA OBRODA carries on page 1 a 400-word report on the election results that includes the following passage on voter turnout: "Of the 3,876,555 eligible voters, 2,932,669, that is, 75.65 percent, participated in the election. The highest voter turnout was in Central Slovakia (78.41 percent), followed by West Slovakia (76.49 percent) and East Slovakia (74.97 percent). The lowest voter turnout was in Bratislava—only 65.72 percent. The share of valid votes for the entire Slovak Republic was 98.36 percent."]

Daily: Official To Discuss Election in U.S.

AU0410172994 Bratislava SLOVENSKA REPUBLIKA in Slovak 3 Oct 94 p 2

[Article by "(sa)": "Demes in the United States"]

[FBIS Translated Text] Bratislava—We have found out from a reliable source that Pavol Demes, director of the Foreign Affairs Department within the Office of the President, will depart for the United States today. According to this same source, he will make this trip because of the outcome of the early parliamentary election in Slovakia, where the Movement for a Democratic Slovakia achieved an unequivocal victory. This situation is similar to the one in 1946, when the communists lost in Slovakia, although they were celebrating victories in all of the countries that were to become the socialist bloc. Apparently Slovak citizens have behaved similarly in the current election. According to our source, in the United States, P. Demes should discuss the situation that has evolved here and, in particular, wants to hold consultations on the composition of the new legitimate Slovak Government.

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Meciar Hopes Election Results Last 'Four Years'

LD0410132894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 4 Oct 94

[FBIS Translated Excerpt] Vladimir Meciar is now meeting with selected journalists at the SLOVENSKA REPUBLIKA offices. "Radiozurnal's" Jarmila Tosecka reports:

[Tosecka] The meeting opened just before 1200 and, it seems, is still going on. Let me tell you that I and my colleagues from Slovak Television and TASR [Slovak press agency] were allowed to attend only the first five minutes of the meeting, and, after that, it was a purely internal affair of SLOVENSKA REPUBLIKA. [passage omitted] We were able to record the following opening words by Vladimir Meciar:

[Begin Meciar recording] Esteemed ladies and gentlemen. First of all, some facts determining my position [at the meeting]. My political executive issued a statement to the effect that I am not to make political statements, and my visit to this editorial office was arranged more or less as a private courtesy visit so that I can thank the editorial team for its assistance along the path we have covered together. [passage omitted]

We have been much honored by the fact that, in the election, we enjoyed such confidence of the public, and we therefore would like to thank all those who expressed their faith in us.

The election was but one of a series of many ongoing events on the path of building the state, the internal structure of democracy, and the economic system. The election resolved some issues but complicated others. Naturally, nothing has been finalized. It was a mere evolutionary step and must be seen as such.

From our point of view, it was important that the election took place at all. In March 1994, there was a conflict within the structure of the highest constitutional bodies, and it did not have to develop in a democratic way. To us, the fact that the democratic development has been maintained and has been confirmed is a success and a victory.

The citizens' stand and their mandate amount to an imperative to everybody to respect the election results. I would like to express the hope that these results will be respected for four years, but life is complicated, and, at this stage, it is a hope, not a certainty. [passage omitted] [end recording]

HZDS Insists on Meciar Prime Ministership

AU0510084194 Bratislava SME in Slovak 3 Oct 94 p 2

[Article by TA SR and "(r)": "According to S. Kozlik, a Government Involving the Movement for a Democratic Slovakia Can Only Have V. Meciar Heading It"]

[FBIS Translated Text] Bratislava—The Movement for a Democratic Slovakia [HZDS] will only form a government on condition that its prime minister is Vladimir Meciar. This statement was made by HZDS Deputy Chairman Sergej Kozlik. The "idea of forming a coalition government is fundamental" to the HZDS, but "it does not rule out the possibility that it may enter the opposition." Kozlik considers the Slovak National Party and the Association of Workers of Slovakia (ZRS), despite the statement made by its leader about "concentrating only on supervision," as possible coalition partners. He did not even rule out the Party of the Democratic Left (SDL) and, in this context, said that two-thirds of the ministers in the current government could also hold posts in a coalition government led by the HZDS. In his opinion, the SDL will be forced to reassess the election results and draw the consequences from them, including personnel ones. "If P. Weiss were to remain SDL leader, the room for maneuver in negotiations would be much more restricted," he said. He did not even discount the possibility of talks on cooperation with the Christian Democratic Movement. However, in the case of the Democratic Union of Slovakia (DU), "it is difficult to go on vacation with one's former spouse after a divorce." He also considers the Hungarian parties' involvement in the government to be unrealistic as long as "Duray's Egyutteles remains a permanent element in their coalition." Kozlik avoided giving a direct answer to whether Vladimir Meciar would accept the mandate to form a government from President Michal Kovac, with whom he is in dispute. He added that it is necessary to wait for the consultations with the president, which should begin during the next two or three days.

In yesterday's television roundtable discussion, Kozlik said that a coalition variant according to the way "you have seated us here" is possible. The HZDS deputy chairman was sitting with J. Luptak, P. Weiss, and J. Slota, while the program's team had placed J. Moravcik, J. Carnogursky, and V. Bugar in another group.

Meciar's Deputy on HZDS Executive Meeting

LD0410200594 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 4 Oct 94

[FBIS Translated Excerpt] The meeting of the political executive of the Movement for a Democratic Slovakia [HZDS] ended late last night. Slovak Radio editor Katarina Belicka asked HZDS Deputy Chairwoman Olga Keltosova about specific points on the meeting's agenda and about its outcome.

[Begin recording] [passage omitted] [Belicka] You said that your efforts to form a coalition are based on tradition. The Slovak National Party must therefore be definitely considered. Did you make a decision about another partner yesterday?

[Keltosova] For the time being, we analyzed some preliminary formal talks and contacts we had with some other political parties and discussed various options. [passage omitted]

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We are prepared to talk with any partner whose policies resemble our own, at least in the main outline. We are prepared to discuss a possible coalition with all of our partners, but no definite decision has yet been made.

[Belicka] Is it possible to say how many of the ministers from Mr. Moravcik's present coalition government would be acceptable to you?

[Keltosova] We did not go into such details. We assume that a coalition government should be formed on the basis of election results, or, in other words, on the principle of proportional representation of individual political entities with whom we would form this coalition government. [passage omitted]

[Belicka] Mr. Kozlik [HZDS deputy chairman] said after the Kroky [preceding word in Slovak] debate program that as many as two-thirds of the ministers from the present coalition government could be considered for the next coalition government.

[Keltosova] This is an open question.

[Belicka] Are some personnel changes in the HZDS also being considered?

[Keltosova] This is also an open question. However, it will be decided by our political bodies, which are the political executive and the HZDS national board.

[Belicka] And you, do you agree?

[Keltosova] Yes, I do. [end recording]

[Announcer] As we learned from a well-informed source, Olga Keltosova and Ivan Lexa [HZDS executive secretary] will represent the HZDS at the consultations with the president of the Republic, where the forming of a coalition government will be discussed.

Kovac Resignation Posed To Ensure 'Stability'

LD0410165794 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 4 Oct 94

[FBIS Translated Text] The president was offended when we mentioned that the stability of the Slovak Republic, as well as the formation of a consolidated parliament, may be achieved by his own resignation. This is how Ivan Lexa, secretary of the Movement for a Democratic Slovakia [HZDS], explained the early departure of the representatives of the Movement from the Primatial Palace in Bratislava, where a meeting of representatives of parliamentary political parties and movements was held.

Ivan Lexa and Olga Keltosova told journalists that the president, following congratulations on the results achieved, said that he would ask the Movement to form the Cabinet. They both added, however, that the request should go to a concrete person and not to a movement as an entity.

Lexa and Keltosova, apart from this, confirmed that the HZDS is prepared to have talks with all of the political parties of the parliament. They envisage as the first one the meeting with representatives of the Association of Workers of Slovakia.

Representing the HZDS at the talks will be Olga Keltosova, Sergej Kozlik, and Ivan Lexa. Vladimir Meciar will join in the consultations at their conclusion.

Meciar Representatives on Kovac Meeting Walkout

LD0410192994 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 4 Oct 94

[FBIS Translated Excerpt] At 1500 hours today in Bratislava, President Michal Kovac met representatives of the political parties, movements, and coalitions that will have seats in the new Slovak parliament. The purpose of the consultations was to inform the head of state on the results of interparty talks held up to now, with the aim of setting up a new Slovak Government.

The first to leave were the two representatives of the Movement for a Democratic Slovakia, Olga Keltosova and Ivan Lexa, whom Zuzana Stukovska approached with a microphone.

[Begin recording] [Stukovska] In what respect do you think this meeting moved the present situation forward?

[Lexa] In no way at all. Neither the Constitution nor any legislation gives the president the task of calling together representatives of political parties. His rights and responsibilities arising from the Constitution are to convene the National Council of the Slovak Republic within 30 days and to charge someone with forming a government. Those are the only rights the president has.

On the basis of this situation and these talks, we have experience of where talks organized by the president with individual political parties lead, and, essentially, they mean the destabilization of the Slovak Republic and, in fact, an early parliamentary election.

We do not believe this should be done under the patronage of the president. We believe that political parties are sufficiently autonomous to be able to achieve possible coalition relations without the [word indistinct] of anyone whatsoever.

[Stukovska] You are leaving early. Does that mean you failed entirely to agree?

[Lexa] The question can be put differently. The president took offense because one of the possible means of creating a stable government for a four-year period is the resignation of the president of the Republic. When this option was mentioned, the president prevented me from speaking further and declined to allow the Movement for a Democratic Slovakia to speak. We were treated like schoolchildren, and that is why we are leaving early.

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[Stukovska] What do you see happening next?

[Lexa] The Movement for a Democratic Slovakia is continuing according to plan, with coalition negotiations with the political parties and movements that gained seats in parliament.

[Stukovska] Ms. Keltosova, when will the next talks take place?

[Keltosova] The talks are currently under way, which is why we are of the opinion that, at this stage and, in fact, at any time during coalition discussions, the president, who claims to be above party politics, should stay out of party politics and should not call together the chairmen of individual political parties and give them advice on what to do or even seek to be informed by them, as he puts it. Not one of those men who are still there with him was able to say anything definite because the coalition discussions are still in progress. [passage omitted]

[Stukovska] Which will be the first political party, apart from the SNS [Slovak National Party], with whom you will hold coalition talks?

[Keltosova] That is hard to say because it is still being discussed. I suppose it will be the Association of Workers [of Slovakia, ZRS]. But that is, at present, being decided at our secretariat. [end recording]

DU, KDH Comment on Walkout

LD0410212894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 4 Oct 94

[FBIS Translated Text] Democratic Union [DU] Chairman Jozef Moravcik and Christian Democratic Movement [KDH] Chairman Jan Carnogursky were the first to respond to Ivan Lexa's behavior, with these words:

[Begin recording] [Carnogursky] He failed to make a relevant comment on the main question—namely, discussion concerning the formation of a coalition. I believe the behavior of the Movement for a Democratic Slovakia [HZDS] at today's meeting with the president of the Republic undermines the foundations of this state. I do not see the possibility of coming to an agreement with Mr. Lexa and Ms. Keltosova.

It seems likely that a new government will not be formed, which means that, although the current government will resign, it will continue to function if no new government is formed. It will, of course, be only a half-legitimate government, so to speak. That means that Slovakia will go into decline, the standard of living will decrease, and it will be a result of this action by the HZDS delegation.

[Unidentified correspondent] Jozef Moravcik, Democratic Union.

[Moravcik] The president was blamed for the fact that an unstable situation had arisen. According to the opinion expressed by Mr. Lexa, it will be possible to achieve stability when the president resigns. In other words, that is one of the means whereby stability could be achieved. That is what Lexa said.

Then he cast into doubt the legitimacy of such consultation talks and the legitimacy of the president being involved in such consultations. He considered this to be in conflict with the Constitution, which met with total disagreement from all those who expressed an opinion during the talks. Even [Slovak National Party Chairman] Slota stayed at the talks, which means, I suppose, that he accepted the argument because it is impossible for the president to exercise his constitutional rights other than by consulting political parties. [passage omitted]

I think that, in spite of everything, the discussions served their purpose, because each party put forward its opinion, including the HZDS. The HZDS, in spite of this, will be asked in writing, as the president said—addressed to the chairman of the movement—to hold consultations for the formation of a government.

How the HZDS behaves will be important because, although the HZDS gained the most votes, it gained only 35 percent, which means that a great deal is needed if there is to be a stable government. That means that achieving a majority will be difficult if the HZDS does not give up its confrontational behavior and confrontational politics. [end recording]

Common Choice's Weiss Remarks

LD0410195894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 4 Oct 94

[FBIS Translated Excerpt] [Passage omitted] Three representatives of parties associated in the Common Choice—Jaroslav Volf, Jozef Pokorny, and Peter Weiss—were quite talkative. Weiss said, among other things:

[Begin recording] [Weiss] I am very sorry because, in his opening address, the president talked about creating an atmosphere for bringing political parties closer together and for constructive talks on forming a government that could last four years.

[Unidentified correspondent] In these circumstances, is coalition cooperation with the Movement for a Democratic Slovakia [HZDS] acceptable to the Joint Choice?

[Weiss] Naturally, one person is not the entire movement. We are sorry that such a tone has been adopted, that the policy of returning to the past and settling old accounts has been adopted. This certainly does not contribute to the stabilization of the Slovak political scene. We have voiced our readiness to talk with all of the political parties that got into parliament—that is, with the HZDS, too. This will be the first round of talks, so it is premature to speculate now.

[Correspondent] In your view, is the person of Vladimir Meciar as future prime minister acceptable to the president?

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[Weiss] We did not talk about that. The HZDS, according to what the president suggested, should provide information about the results of the talks that will have taken place. For our part, I can say that you are keeping me from the meeting with the Democratic Union. At 1930, we will have talks with the Christian Democratic Movement.

[Correspondent] When will you meet with the HZDS? Have you not been asked yet?

[Weiss] No, we have not. [end recording]

FOCUS: Meciar Vote Ban Influenced Election

AU0410190294 Bratislava SME in Slovak 3 Oct 94 p 3

[TA SR report: "FOCUS on the Election Results"]

[FBIS Translated Text] Bratislava—The events of Friday 30 September, when Vladimir Meciar was prevented from exercising his electoral rights because the electoral commission on Bratislava's Hlboka Street did not have him listed in the register of voters, had a significant influence on the outcome of the election. This was how Tatiana Rosova, director of the FOCUS agency's Center for Social and Marketing Analysis, explained the sizable difference between the opinion poll results and the election results.

According to an opinion poll conducted from 7 to 14 September, 24.4 percent of respondents had decided to vote for the HZDS-RSS [Movement for a Democratic Slovakia-Farmers' Party of Slovakia] coalition. In the opinion of T. Rosova, having been influenced by the aforementioned events, those citizens who on Friday had still not decided who to vote for cast their ballots for this coalition on Saturday.

HZDS Allegedly Knew of Meciar's Absence from Voter List

AU0410200694 Bratislava SME in Slovak 3 Oct 94 p 3

[Article by "zm, so, vec": "Chairman of District Electoral Commission Representing Movement for a Democratic Slovakia Knew About Meciar's Absence from Voters' List in Advance"]

[FBIS Translated Text] Bratislava—Latest public opinion polls conducted one week before the election indicated substantially lower electoral preferences for the Movement for a Democratic Slovakia [HZDS] than the movement ultimately achieved. The forecasts were in the range of 21-28 percent, and even a survey carried out on the first election day gave Vladimir Meciar's movement under 30 percent of the vote. A number of experts ascribe the marked difference between the forecasts and the final result, which was almost 35 percent, to the incident that occurred while Meciar was casting his vote on 30 September and to which, in breach of the electoral law, Slovak Television gave publicity. We therefore recapitulate the course of events.

The Meciars did figure on the voters' list the Bratislava-1 Municipal District Office attached to the door of house No. 18 on Frano Kral Street, where Vladimir Meciar and his family live, 30 days before the election. As Vladimir Meciar told a SME reporter after his abortive attempt to vote, "We were not able to check in our house whether we were on the list because the list, which had been posted in the morning, disappeared by evening." Several tenants of the same house confirmed to the SME reporter, however, that the list had still been attached to the door of the house three days before the election and even on the morning of the first election day. Yet this was an amended list, drafted by the Municipal District Office on 14 September on the basis of updated information from the state administration (see also statement issued by the mayor of Bratislava-Old City). The Meciar family no longer figured on this amended list. However, the Meciars had plenty of time to claim their right [to vote] in the complaints office, as all other citizens to whom a similar thing happened.

Stanislav Lukacik, chairman of the electoral commission at the Hlboka Street polling station, who had been nominated to the commission by the Slovak National Party, told a SME reporter on Friday that he had learned about Vladimir Meciar's absence from the voters' list about one hour before the election opened. When he phoned to ask about the voters' lists, he was told that there were three lists and that the last one, the one he had, was faulty and would be replaced. From the polling station's electoral commission, this information got to the District Electoral Commission on Medena Street, directly to its chairman, Juraj Misa, who had been nominated by the HZDS. As Misa admitted to a SME collaborator, he had learned about Vladimir Meciar's absence from the voters' list on Friday "sometime between 1330 and 1400." How did he react to this information? "I tried to set the mistake right and did everything I could for the name of Mr. Meciar and the other voters absent from the voters' list at the Hlboka Street polling station to be added to the list," said Juraj Misa. He asserted that he had not informed Vladimir Meciar about this shortcoming. Asked why he did not inform him, as it was his right to report to the party leader every transgression against his party, Misa said that he had to be apolitical in his post. We argued that reporting a mistake in the voters' list does not violate the principles of being apolitical and that this would have allowed Mr. Meciar to wait until his name was added to the list and to go to the polls only after the whole affair had been settled. Instead, Mr. Misa, as an HZDS delegate, withheld this information, did not report it, which made the whole "spectacle" possible in the first place. Countering this argument, Misa only reiterated: "I wanted to be apolitical and did everything I could for Mr. Meciar and the other citizens to be put on the voters' list again. Unfortunately, to my great chagrin but through no fault of mine, we did not manage this by 1530, when Mr. Meciar came to the ballot box." The other members of the District Electoral Commission told

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our collaborator that Mr. Misa had withheld this important piece of information from them and that they learned about it only from the mass media, at about 1700. When our reporter wanted to confront Mr. Misa with their testimonies, Mr. Misa had him thrown out of the room. As two members of the District Electoral Commission—Milan Manasek and Peter Smrek—confirmed to SME, the commission chairman did not inform other commission members about Vladimir Meciar's absence from the voters' list. This fact has even been recorded in the District Electoral Commission's final resolution. The resolution states that, shortly after the opening of polling stations at 1400, the first citizens from Hlboka Street whose names were not on the list arrived. The problem was dealt with by the objections commission. After 1410, two members of the Regional Electoral Commission arrived, whom members of the District Electoral Commission briefed about shortcomings in the voters' lists. Although Chairman Misa knew about Meciar's absence, he did not report this fact even to the Regional Electoral Commission members. Members of the District Electoral Commission recommended to representatives of the Regional Electoral Commission that they be allowed to use also the original lists and faxed to the Regional Electoral Commission a request to this effect. An approving reply from the Regional Electoral Commission was received at 1608. As Stanislav Lukacik, of the electoral commission at the Hlboka Street polling station, told SME, they received the new—that is, the original—lists at 1636.

Members of the District Electoral Commission testified that, had their chairman Misa informed them about Vladimir Meciar's absence from the list, they could have accomplished this earlier. At approximately 1300, the HZDS Press Department informed the mass media through the TA SR that HZDS Chairman Vladimir Meciar would cast his vote at 1500. Meciar was awaited at Hlboka Street by several dozen Slovak and foreign journalists but did not arrive until 1540.

SDL Advocates 'Broad Coalition' of Parties

LD0410201594 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1400 GMT 4 Oct 94

[FBIS Translated Text] The Executive Committee of the Party of the Democratic Left [SDL] considers that the results of the parliamentary election amount to the failure of the SDL and accepts responsibility for them. Milan Ftacnik, the party's deputy chairman, told TA SR that, at its session held overnight in Bratislava, the Executive Committee decided to draft a detailed analysis of reasons that will be submitted to the SDL National Council on 15 October. At the same time, a broad coalition of a number of political parties was advocated.

A delegation comprising Peter Weiss [SDL chairman], Pavol Kanis [SDL deputy chairman and defense minister], and Jozef Kosnar [a member of SDL executive commitee] was authorized to conduct talks with representatives of parliamentary parties.

Coexistence Ready To Cooperate With Far Left

LD0410203594 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 4 Oct 94

[FBIS Translated Excerpt] Today's news conference by the Coexistence movement was dominated by an assessment of the election and initial postelection negotiations with political parties and movements that gained seats in the National Council. Coexistence Chairman Miklos Duray stressed that the Hungarian Coalition had become the third most successful political grouping in Slovakia. However, it was not just a success but also a great responsibility. Bernard Hornak invited Coexistence chairman Miklos Duray to the microphone.

[Begin recording] [Hornak] Following the announcement of election results, you have had preliminary discussions with the Democratic Union [DU] and the Christian Democratic Movement [KDH]. You have also been approached by representatives of the Party of the Democratic Left [SDL], and, at the news conference, you expressed the idea that you wished to contact the Association of Workers of Slovakia [ZRS]. How would you assess the discussions you have had so far, and what are your expectations of negotiations with the SDL and the ZRS?

[Duray] In my view, the negotiations so far have been successful because we agreed with both DU and the KDH that democracy in Slovakia must be deepened and that existing structural elements need to be filled with a democratic content, meaning that we have to create a democratically functioning state.

Naturally, this is not a matter for one or two parties, but it is the task of the next government. Thus, we had talks with that in mind, and we see certain possibilities to cooperate in making that a reality.

[Hornak] It was a little surprising to hear that you sought contact and wished to negotiate with the ZRS.

[Duray] In my opinion, it is not a surprise. I see it as a logical idea because, if we consider the ZRS a measure of social attitudes in Slovakia, it is clear that a political force that believes in developing the Slovak economy and strengthening the economic sphere must undoubtedly cooperate with a party that has the achievement of good social results and the strengthening of the social sphere among its aims. This is because the social sphere can only improve through good economic results. These two seemingly conflicting spheres are very closely connected. [passage omitted] [end recording]

ZRS Head Reports on Party Talks With President

LD0410214194 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 4 Oct 94

[FBIS Translated Excerpt] The Association of Workers of Slovakia [ZRS] was represented at the meeting with the president by its chairman, Jan Luptak::

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[Begin recording] [Unidentified correspondent] Mr. Luptak, did the talks with the president move the situation forward?

[Luptak] I think people should behave properly if they come for talks. I am sorry about this, but I think Mr. Lexa did not behave properly. As a rank-and-file person, I have never behaved like that in the parliament. I think that such behavior was not appropriate. If they did not want to accept it, they need not have come. We will not dismiss the president. We are not here to dismiss him, and we have our conditions under which we would go .... [pauses] We would support in government. [sentence as heard]

[Correspondent] Mrs. Keltosova said that the ZRS will be the first party with which they will hold talks. Is this realistic under these conditions?

[Luptak] This is quite a difficult question. We can talk, but no one from the Movement for a Democratic Slovakia [HZDS] has talked to us yet about these things, and we (?shall see) what the offers will be, what the conditions will be. However, we certainly do not want to be in the government. [passage omitted] [end recording]

Hungarian Leaders on Possible Government Structure

AU0510101194 Budapest UJ MAGYARORSZAG in Hungarian 4 Oct 94 p 3

["udvardy"-attributed interview with Pal Farkas, deputy chairman of the Hungarian Christian Democratic Movement, and Miklos Duray, chairman of the Coexistence Political Movement; place and date not given: "Slovakia: With Or Without Them?—Hungarian Governmental Chances"]

[FBIS Translated Text] A constructive opposition stance would be the most acceptable for us, Pal Farkas, deputy chairman of the Hungarian Christian Democratic Movement, said in connection with the prospect that the Hungarian Coalition, as the third-strongest side, might become part of the new parliament in Bratislava. We wanted to find out the views of the Hungarian parties about the situation following the election.

[UJ MAGYARORSZAG] On the basis of statements made after the election, it is possible that the Christian Democrats [Christian Democratic Movement], the left wing [Common Choice], and the Democratic Union, together with Meciar's party [Movement for a Democratic Slovakia], will try to form a government by excluding the Hungarian coalition. To what extent would you be able to represent the interests of the minority in this kind of parliament?

[Farkas] A government consisting of the above members would clearly not be an ideal solution for us. However, we are continuing talks on a far more acceptable structure. If our talks are successful, a completely different atmosphere, much more favorable for us, would develop in discussing the various issues. Leaving the Hungarians out of forming the government was an election slogan because, unfortunately, this attitude is still popular.

[UJ MAGYARORSZAG] In the new setup, what solution might be offered in connection with education and the county system?

[Farkas] Answers will definitely have to be found to these questions, and, whatever the structure of the government after the negotiating rounds, they will eventually need the mandates and the votes of the Hungarian parties. In my view, it will not really be possible to find a solution to the new territorial divisions, the county system, because this country has to solve other serious economic problems, settle its foreign relations, and become part of the European structures. If the government applied a nationalist attitude on one hand and a European one on the other, the result would be disharmony.

[UJ MAGYARORSZAG] Would you set any conditions on joining the government?

[Duray] The signing of the European charter on local governments and the minority and regional charter are in this category, and, as a result of these, so are the law amendments. If public administration is reorganized, we will use the Revkomarom [Komarno] documents as a starting point. I have already mentioned this to the parties that inquired about our criteria for government membership.

[UJ MAGYARORSZAG] How much of your election program can you implement?

[Duray] If we join the government, we will have the possibility to implement our local government and economic programs. For us, a government structure similar to that of the past six months would be the best solution. However, this government would not enjoy a high enough level of support to change the Constitution. The key question is whether the Slovak parties are willing to form a government with us.

TA SR Head: Courts To Decide on Agency Management

AU0410175194 Bratislava SME in Slovak 1 Oct 94 p 2

[Interview with TA SR Director General Ivan Melichercik by Ivan Stulajter and Robert Kotian; place and date not given: "Kleiman's Economic Management of the TA SR Should Be Investigated by the Prosecutor's Office"]

[FBIS Translated Text] [SME] After taking up your post, on 20 May 1994 you invited the Supreme Control Office of the Slovak Republic (NKU) to inspect the management of state funds at the TA SR.

[Melichercik] Yes, but even earlier, a day after taking up the post, I asked Deputy Prime Minister Roman Kovac to send an inspection to the TA SR because we wanted to

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start with a clean slate, and we were aware of numerous problems. The results of the inspection, discussed by the government on 29 September, have not been altogether correctly interpreted by some media because, in the final analysis, the report itself focused on the circumstances of the sale of the REPUBLIKA daily rather than on the events that preceded the sale and concerned the publication of this daily by TA SR.

[SME] How do you assess this transaction through the prism of time?

[Melichercik] Under the circumstances, the sale was the best solution. The TA SR simply had to rid itself of this periodical. First, because the losses ere growing every day and, for the period 1 April to 31 December, amounted to almost 17 million korunas [Sk]. Second, because such a party daily has no place within the agency, where it only damaged its reputation. For this reason, I believe that the estimate of the price of the REPUBLIKA daily at Sk13 million was far above its actual value and could have been affected by planned transactions and business intentions. Although these intentions were never realized, the "estimate" remained. Just ask yourselves whether a loss-making daily can have such a value. We had no choice then, and the only chance to get at least some of the money was to transfer the REPUBLIKA daily trademark to Salus Ltd. for Sk3 million. Moreover, SLOVENSKA REPUBLIKA was already registered at that time, and its publishers did not want anyone to use the original title of REPUBLIKA.

[SME] The law on the administration of state property requires that a state-subsidized and budget-funded organization should manage property entrusted to it economically. This means that the TA SR was supposed to engage only in such additional activities as would guarantee the return of invested funds. In the case of publishing the REPUBLIKA daily, one could speak of breaching the law. Do you have any information regarding the consequences drawn from this venture for the former TA SR director general, Dusan Kleiman?

[Melichercik] According to my sources, the Prosecutor General's Office of the Slovak Republic will be dealing with these matters.

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U.S. Embassy Protests Treatment of Citizens

LD0410181094 Budapest Kossuth Radio Network in Hungarian 1600 GMT 4 Oct 94

[FBIS Translated Text] The National Police Headquarters has launched a new investigation since U.S. citizens complained to the U.S. Embassy in Budapest about police atrocities. Deputy spokesman Andras Rozsa said that they were officially informed first today about the event—which radio news programs reported last week.

The spokesman stressed that the police organized a nationwide campaign last month for checking foreigners, in order to filter out foreigners who were illegally staying in Hungary. They were only informed by the media that three U.S. citizens had complained about the way the police acted toward them. The investigation started at that time.

They received the U.S. Embassy's protest note today, following which Andras Turos, chief director of public security, has ordered a new investigation. The result of this investigation will be published tomorrow.

Government Offers Apology for Role in Holocaust

LD0410223394 Budapest Kossuth Radio Network in Hungarian 2100 GMT 4 Oct 94

[FBIS Translated Text] The Hungarian Government has apologized for the role the country played in the Holocaust and for the persecution of Jews before the country's Nazi occupation in 1944.

Hungarian Foreign Minister Laszlo Kovacs told the World Jewish Congress that he was speaking on behalf of Prime Minister Gyula Horn. He read out a statement, according to which, we quote: History obliges us to apologize for 600,000 murdered and several tens of thousands of deported and tortured fellow citizens. A fifty-year experience of history, perhaps, is enough for the Hungarian nation to look at itself bravely and honestly, as it was first done by the Germans after the war, the statement said.

The president of the World Jewish Congress, Edgar Bronsman, said that this indicated an important and positive development in Hungarian-Jewish relations.

Editorial on Results of Recent Slovak Elections

AU0410203394 Budapest MAGYAR NEMZET in Hungarian 4 Oct 94 p 1

[Editorial by Lajos Pietsch: "Slovak Realities"]

[FBIS Translated Text] It would take more than courage to predict the long-term direction of Slovak domestic policy after the recent parliamentary elections. However, it is now more than obvious that, despite all his imagined and real reservations, President Michal Kovac will ask the "big survivor" Vladimir Meciar to form a government. Not a single president of a democratic country can forget that, despite the questionable political style, the dictatorial and populist inclination, and the unpredictable attitude, the population returned a politician to power.

This is true even though the head of the Movement for a Democratic Slovakia will hardly be able to form a stable coalition. Of course, in view of the results of the Slovak elections, no other Slovak politician would be able to form such a coalition either. Thus, a rather uncertain and perhaps a new temporary phase follows in Slovak domestic policy, just like the one prevailing for the last six months. So far, the expected Slovak coalition is multifaceted, but one can hardly count on a firm parliamentary majority. It is not accidental that people in Bratislava are already speaking about the possibility of yet another early parliamentary election.

With the exception of the Hungarian coalition that fared quite well in the elections, no other Slovak political party has uncovered its cards yet; in other words, all of them left every possibility open for future cooperation. Only the electoral alliance of the Hungarian parties made it clear that they will not join a coalition government led by Meciar. This lack of confidence on the part of the Hungarian parties is quite understandable, given the fact that the previous two Meciar governments did not show any goodwill or readiness for compromise toward the Hungarian minority in Slovakia.

Among the European countries, Hungary in particular is interested in the type of government in its neighborhood, as well as how stable a government this is. This is particularly true in view of the fact that one of the major goals of Hungarian foreign policy is to improve relations with Slovakia and to sign a bilateral basic treaty. Therefore, in view of the results of the Slovak elections, the Horn government in Hungary has no other choice but to continue its consistent policy aimed at improving the bilateral relations, a policy calling for mutual compromises and gestures, one in harmony with the generally accepted European norms. It can only hope that, with or without Meciar, instead of isolation, tense relations with its neighbors, and the unsolved situation of national minorities, Slovakia will set out on the road leading to European integration, regional cooperation, good neighborhood, democracy, and market economy.

Officials View Refugees, Immigration, Crime

AU0510101294 Budapest MAGYAR HIRLAP in Hungarian 4 Oct 94 p 5

[MTI report: "We Will Need 1 Billion Forints for Refugees Next Year"]

[FBIS Translated Text] An increasing number of foreigners is settling in Hungary, and many tourists arriving from the CIS want to remain in Hungary—government spokesman Evelyn Forro said at the start of her news conference on 3 October.

The situation of foreigners in Hungary was the main subject of the aforementioned news conference. Some

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representative data: A total of 125,433 people fled to Hungary between 1989 and 1994. Among the citizens of the former Yugoslavia, 7,110 people received refugee status and 1,919 are still living in refugee camps. Speaking about the number of crimes committed by foreigners, police Major General Andras Turos said that the number of people committing crimes has not changed in recent years, but the number of crimes committed by these people has shown a manifold increase. Foreign citizens committed most crimes in Budapest, mainly economic and property crimes. Border Police official Zoltan Csenkes pointed out that some 16,000 foreigners committed border violations in the past four months. A Labor Ministry official pointed out that there are several hundred thousand foreigners living in Hungary today, but only 18,600 of them have valid employment papers. An official of the Refugee Affairs and Migration Office told us that the foundation for refugees received 900 million forints from the central budget in 1994, but they will need 1 billion forints next year. Answering a question, Andras Turos pointed out that the introduction of the law regulating the stay of foreigners in Hungary placed a considerable burden on the police, and the police needed at least 300 more personnel to carry out its tasks adequately. As this increase has failed to materialize, the police have had to regroup some of its personnel for this activity. These people are mostly untrained in this issue. Andras Turos also pointed out that, although the law does not allow the differentiation of Western businessmen and immigrants from Asia, police headquarters is trying to accelerate the procedures in the case of Western businessmen. Reacting to all this, Istvan Zsufa, deputy state secretary at the Hungarian Interior Ministry, said that the police received almost 500 million forints in 1994 to carry out the stipulations of the aforementioned law.

Opposition Foresees Constitutional Crisis

LD0510113694 Budapest Kossuth Radio Network in Hungarian 0600 GMT 5 Oct 94

[Report by Edit Schranz]

[FBIS Translated Text] Following a three-and-a-half-hour debate last night, peace between the coalition parties and three opposition parties which participated in the coordinations has not been achieved, after all. Therefore, in accordance with the six-party agreement reached at the talks with President Arpad Goncz last Monday, Arpad Goncz is expected to sign the amended self-government law, passed without the opposition on Friday [30 September]. It was admitted even by Tibor Fuzessy, parliamentary group leader of the Christian Democratic People's Party [KDNP], at the ad hoc press briefing held late last night that the law, basically, does not violate the Constitution.

The talks failed because the opposition and the government parties could not agree on one of the disputed points, on the percentage of the validity threshold of the election.

Ivan Peto, parliamentary group leader of the Alliance of Free Democrats [SZDSZ], told the press that the government parties do not consider themselves responsible for the failure.

On the other hand, the opposition believes that they have gone as far as possible to reach compromise. On behalf of the Federation of Young Democrats [Fidesz], Tamas Deutsch believes that the Horn government made a fatal mistake, because political consensus has broken off and this raises the possibility of a constitutional crisis. Ivan Szabo, parliamentary group leader of the Hungarian Democratic Forum [MDF] said that the opposition made a significant concession by agreeing to further talks to legitimize the self-government law. Tibor Fuzessy, KDNP parliamentary group leader, informed the media that according to the opposition the letter addressed to President Arpad Goncz [by the opposition] is still valid, and if Goncz returns the local authority election law to parliament, talks can be continued to achieve agreement.

For that matter, the opposition asked the government to issue a principled statement saying that this law is not a precedent for amending the law on parliamentary elections.

Official Views Minority Local Government Elections

AU0410201394 Budapest MAGYAR NEMZET in Hungarian 4 Oct 94 p 9

[Interview with Csaba Tabajdi, political state secretary for minority issues at the Prime Minister's Office, by Levente Fazekas-Ruck; place and date not given: "Dual Power or Division of Powers—Csaba Tabajdi on the Local Government Elections and the Uninformed Minorities"—first paragraph is MAGYAR NEMZET introduction]

[FBIS Translated Excerpt] There is no need for a fundamental change in the main thrusts of national minority policy in Hungary. A basic consensus has essentially been reached on this issue—unlike other issues—between the various political parties in recent years. This is indicated by the 96 percent support for the National Minority Law passed in 1993, Csaba Tabajdi, political state secretary for minority issues at the Prime Minister's Office, said. In connection with the forthcoming local government elections, we interviewed Tabajdi on the conditions for forming national minority local governments, its risks, and the new system of financing the minorities.

There Will Be No Linkage of Issues

[Tabajdi] The emphasis must be placed on dialogue with the minorities, which also existed in the past but now we would like to make it more regular and planned. Accordingly, in the past two months, we have been conducting

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an intensive dialogue with the representatives of Hungary's national and ethnic minorities on the necessary legislation and other issues. As a basic tenet of our national minority policy, I would like to state firmly that we do not wish to link the issue of Hungary's national and ethnic minorities with the situation of Hungarians living beyond the border. Therefore, it is not acceptable for us to link these issues.

In the course of implementing the national minority law, the interest representation and political representation will be fundamentally changed. For this very reason, new methods of contacts will have to be formed in addition to the existing channels of dialogue.

[Fazekas-Ruck] What changes can the national minority local government elections bring in the life of the minorities?

[Tabajdi] The establishment of the local minority governments is a means, rather than a goal. It is a means to a legitimate body to represent the interests of the minorities. Up to now, in certain cases, self-appointed associations or individuals presented themselves as representatives of a minority. This is not the case of creating some kind of dual power; rather, it will become obvious who is the partner of whom, and local minority governments will have clear and well-defined rights and autonomous decisionmaking possibilities in certain areas, for example in culture and education. In addition, within the framework of the Law on Local Government, a local government can pass certain rights to the minority local governments, with certain limitations. These certain limitations mean that it cannot transfer rights in connection with authority or public utilities, for example the issue of sewage construction, to the minority local governments. The third significance is that, building from the grassroots, the local minority governments and the electors can set up national governments of the minorities. In other words, completely new bodies will be formed with constitutional rights. [passage omitted]

[Fazekas-Ruck] In what way can these minority local governments be set up?

[Tabajdi] There are three ways of setting them up. The candidate can run either as a representative of a minority organization or as an independent minority candidate. If more than 50 percent of the board of deputies in a given town belong to one national minority, then this board of deputies can decide whether to call itself a minority local government. The second method applies when the proportion of minority deputies does not exceed 50 percent but reaches 30 percent. An indirect minority local government can be set up in such a case. Naturally, this is also dependent on the decision of the deputies. In both cases, the minority deputies decide what form of local government should be established. The third form applies in the case when the national minority members living in a given town realize that they have little chance in the local government elections, so they decide to elect a minority local government directly, parallel with the local government elections. [passage omitted]

[Fazekas-Ruck] What will be the value of the small number of votes cast in more remote areas?

[Tabajdi] The electoral system is set up in such a way that the votes of people living far apart should also count. As few as five people can initiate the establishment of a minority local government. Some 25 valid votes cast are needed actually to establish it. Many people say that 25 votes is very few. However, I would like to recall that the bill on the election of local government deputies and mayors does not contain a limit. Therefore, in an extreme case, even two or three people could elect a mayor. [passage omitted]

Ministry Plans 10-Month Conscription Period

AU0410213194 Budapest MAGYAR NEMZET in Hungarian 30 Sep 94 p 4

[Report by "v.z.": "Professional Army in the Foreseeable Future—10 Months Service Next Year?"]

[FBIS Translated Text] According to the Defense Ministry plans, the compulsory conscription service will only last 10 months in 1995. However, this change still has to be approved by parliament, Andras Toth, Defense Ministry political state secretary, said at a forum on 29 September. Toth was guest at a special defense day called "Defense and the Youth," organized by the Young Socialists Movement.

In his opening speech Toth said that, in the Defense Ministry's view, a professional army can be established in Hungary within 10 to 15 years. Certain changes, for example the reduction of the service period, are also possible for the short term. This does not necessarily mean an increase in conscripts providing that the ministry is able to reduce the number of tasks that do not strictly come under the category of defense obligations. Toth also said that soldiers' human rights should be respected even during the conscription period. For this reason, it is unfortunate that protection of one's rights has not yet had the chance to appear on an institutional level. At the same time, he believes that serious cases that require action do usually reach the appropriate authorities.

Toth also said that a number of the the services provided by the Army—such as participation in protocol events, parades, use of the Army orchestra, or arranging the fireworks—should be based on financial remuneration. Toth emphasized that the budget deficit is one of the most important reasons for the Army's loss of prestige and lack of real training.

BESZELO on Keleti, Military Security Office

94CH0431A Budapest BESZELO in Hungarian 15 Sep 94 pp 11-12

[Article by Ferenc Koszeg, parliamentary representative of the Alliance of Free Democrats: "DOD Affair"]

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[FBIS Translated Text] We do not know yet, and perhaps (hopefully?) we will never know whether Gyorgy Keleti, believed to be the cabinet's most competent member, is a truly good minister of defense. One thing appears to be certain: No one masters PR (in MDF [Hungarian Democratic Forum] language: building a facade) better in this great homeland of ours than he does.

The PR Man

[Former Defense Minister] Ferenc Karpati, the most orthodox minister of the Nemeth government, was accompanied to all public appearances by two reform body guards: public affairs chief Keleti, and Jozsef Feher, the Defense Ministry's outstanding and well-prepared debating lawyer. It was their job to see to it that the minister—who had to shed his general's uniform, as well as the ideological armor he received from the Political Chief Section Directorate—creates a civilized and affable impression. This group picture is so memorable, because a few months later a new figure appeared in its center: Lajos Fur, flanked by the two accessories. In their new positions, the accessories tried to establish an air of competence in national defense affairs around Fur, the jovial agricultural historian.

It is well known that Keleti acquired his foundations for national fame during the Romanian revolution. As Gyorgy Szepesi [radio sportscaster prior to 1945] did from Wembley a long time ago, Keleti, too, broadcast on-the-scene reports from Temesvar [Timisoara] and Bucharest. But unlike Szepesi, he did not even have to go to these places. While thousands of IFA trucks and Lada cars, laden with pharmaceuticals and clothing, crossed the border, Keleti managed to keep excited a whole country glued to the television screen for several days, by saying that Hungarian army planes laden with aid were ready, awaiting permission to take off.

The former public affairs chief's career as a minister began with a tragic event: a grenade launcher exploded, claiming several lives. But this bloody incident was soon blurred by the new minister's masterly stroke in military diplomacy: his seemingly unexpected, lightning speed visit to his colleague in Belgrade. Keleti deflected criticism with two sensational statements: He revealed that his predecessor had already secretly visited Belgrade, then went on to bashfully admit that his helicopter had made a forced landing, and that his life had been in danger. Fur inscribed his name for a long time to come into the laughing memory of the nation with his all-around defense; Raffay did the same by slyly attacking the wheel of his car. Thanks to a forgiving press, no harm was done to Keleti even after announcing that he would not rule out that UFO's were flying around in Hungarian airspace. Cultivators of the paranormal sciences are highly respected by the Hungarian mass communication media anyway. A UFOlogist defense minister is able to outbid the prestige of an Uri Geller (he, too, is Hungarian!).

These days, Gyorgy Keleti appears before us as one who had caused the outbreak of a new Duna-gate affair.

Duna-Gate of Soroksar

As we all know, the original Duna-gate blew apart only one section directorate—the infamous III/III directorate—of the many section chief directorates, divisions, and subdivisions of the state security organization (the Ministry of the Interior's Chief Section Directorate No. III). The first governmen. after the system change utilized the services of the rest, leaving these organizations unchanged. It did the same with military counterintelligence, designated as III/IV. Seemingly, Jeno Gubicza, the first commander of the Military Security Office (KBH) that was severed from the Interior Ministry, did not take note of the system change. He continued to be aware of only U.S. and German intelligence agents, and somehow he was never able to track Romanian and Soviet spies. Then he once managed to make a statement—which caused his downfall—according to which he was the one who prevented Raffay, the civilian state secretary, and his associates from reviewing the secret and personal files of the service. Gubicza's sacrifice was in vain, however: With the help of officers leaning toward the MDF they had already prepared a list of unreliable persons a long time before.

The place occupied by Gubicza before his firing was filled by the presently outgoing chief Karoly Gyaraki, as recommended by Raffay's civilian advisers. Counterintelligence was new to this general trained in engineering, with experience in air defenses only. Despite this fact, military counterintelligence functioned smoothly, or, one could say at least that its disturbances have not surfaced until a few days ago.

Keleti wanted to get rid of Gyaraki. One cannot blame him for that: choosing their own confidential associates is the heartfelt right of all ministers. Nevertheless, even if the law does not prescribe this, the almost evolving, fledgling common law system does require the minister to inform the national security committee of parliament about proposed top level changes in the various services. And since this case involves a soldier, it would also have been appropriate to inform parliament's national defense committee. This did not take place; committee members learned from newspapers that the minister had appointed Geza Stefan to take Gyaraki's place.

The minister offered several jobs to Major General Gyaraki, but the general turned stubborn. The Ministry then wanted to retire Gyaraki, but Gyaraki has not yet reached the age of 55. Retiring a general is within the authority of the president of the Republic. Arpad Goncz saw no reason for retiring the vigorous general; he did not do favors for Lajos Fur either. Premature, forced retirement can be ordered on the basis of "service duty considerations" only, but there was nothing to indicate that retiring Gyaraki would be in the interest of the service. So far, we might add.

Keleti escalated his argument with the coquetry of a leading man in an operetta. At first he revealed that a lady had been the subject of KBH surveillance. Then he

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let it be known that previously, the husband of the lady had been an opposition representative. The next day he added that at present, the gentleman occupied a leadership position at the Ministry of Defense. Finally, he raised the big question: What is white on the outside, yellow on the inside, starts with an "E" and ends in "GG"? Thus, in the end, the newspaper reader was able to figure out that Gyaraki and his organization had, indeed, maintained surveillance on Keleti and Mrs. Keleti.

Reports received prior to press time on 13 September make it appear likely that the KBH also gathered information not only about the Keleti couple, but also about other people. According to NEPSZAVA, they were watching Csurka's spouse, and even the clients and competitors of the brother of administrative State Secretary Rudolf Joo. If this is true, more is at issue than an act that borders on illegality. True, no law deals with national security, and the provisional rules adopted in 1990 are sketchy. It is equally true that permission from the minister is required only for telephone wire tapping, the opening of mail, and for covert searches of private homes. At the same time, however, Decree No. 26/1990 (14 February) MT, presently in force, clearly states that the KBH is authorized to proceed only in regard to preventing and exposing military crimes, or with respect to crimes of a political character and crimes against the state, provided that such crimes are committed by soldiers or by persons employed by the army.

Accordingly, we are only scratching the surface of the scandal. The reader might as well breathe a satisfied sigh of relief: See, the new government is doing what the previous government failed to do, it holds accountable the leaders of the intelligence services when they exceed their authority and violate the civil rights of citizens. Yes, but....

Small Country

This is a small country, and only a person who, himself, is not guilty, should cast the first stone at Gyaraki. In the person of Dr. Geza Stefan, the Military Security Office is, indeed headed by a professional. Geza Stefan has been an officer of the above-mentioned III/IV Directorate, but indeed, he has been one of those who practiced the art of countering hostile intelligence. This is proven by his scientific work; numerous articles on the subject of making use of, and averting disinformation. A major study of his on this subject was published in 1987 in a series entitled "Interior Ministry Scientific Reports"; aside from the mandatory communist preface ("the heightening of the ongoing class warfare between socialism and capitalism"), and the equally mandatory quotations from Gorbachev and Kadar, the study is a professional and scientific piece of work. In this limited circulation study, the counterintelligence officer revealed the following: "Whenever we inform the diplomatic representatives of NATO countries about imminent troop exercises, we provide disinformation along with true data." As a realist, he then adds, of course: "... the special services of the enemy regard 40 percent of the information on military exercises, received through diplomatic channels, as false."

In those days Geza Stefan was no longer preoccupied with counterintelligence, but with scientific organizing work within the Ministry of the Interior. During the course of reform under the Nemeth government he was once again assigned to perform a practical task: In the late summer of 1989, he became the state security deputy of the Budapest police chief, and thus also the boss of the III/III agents, working as a staff member at the Budapest Police Headquarters.

According to his former colleagues, he did everything he could to discontinue the by then clearly illegal activities of the Budapest III/III subdivision, which functioned as a subsidiary institution of the Interior Ministry's III/III Section Directorate. Nevertheless the office at the Deak Square subsidiary continued to work as usual, and in the same way as the central office on Nephadsereg Street.

Nothing contained in monthly reports generated around that time reveals that the system had only a few months to go. Law on association here, new constitution there, the state security subdivision—preoccupied with countering the internal enemy—diligently filed secret reports about the internal conflicts of the MDF, the general meeting of the SZDSZ [Alliance of Free Democrats], demonstrations, and mass gatherings. Meanwhile the search for leads and potential agents continued. Routine work, the production of documents, did not cease even in late November, when the feverish destruction of documents began.

After a rapid reorganization of the state security service, Geza Stefan was assigned to serve at the National Security Office established in February 1990. Later on, he returned for a while to do some work in one of the research institutions of the Interior Ministry. Thereafter, he once again resumed practicing. He joined Gyula Horn's security staff. The immediate superior of the staff was Tamas Somogyi, Stefan's present deputy.

Privatization Official on Leadership Change

LD0410184494 Budapest Kossuth Radio Network in Hungarian 1700 GMT 4 Oct 94

[FBIS Translated Text] Ferenc Bartha, minister responsible for privatization, is of the view that the government intends to continue the privatization differently, and this is why the leadership change was a pressing need. Peter Gyuricza spoke to Ferenc Bartha:

[Begin Bartha recording] This is not really an ad hoc matter. To launch a new privatization policy and to set up a new privatization organization are important matters from the point of view of the entire transition. This is really a transitional period. The need for certain changes within the board of directors has long been on the agenda. I personally thought that the transitional

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period would be shorter. It could not materialize, because, unfortunately, the legal and strategic preparations are more complicated matters. [passage omitted] [end recording]

Data on Privately Owned Agricultural Land

94CH0431B Budapest BESZELO in Hungarian 15 Sep 94 pp 13-15

[Article by Kamilla Lanyi: "The New Landowners"]

[FBIS Translated Text]

Wandering in the Agricultural Realm

The analysis of Kamilla Lanyi, the learned economist, is supplemented by a collection of writings prepared by social worker candidates (and their teachers, some of whom are editors of BESZELO), about new and former land owners.

Students of the John Wesley Academy starting their second year of study spent a week at the end of august camping in three villages of Cserehat (Borsod-Abauj-Zemplen County), notably in Gadna (226 inhabitants), Gagybator (301 inhabitants), and Abaujlak (166 inhabitants). Until 1990, the three villages were under common government administration and belonged to the same producer cooperative.

Land and Work

In Hungary, the total number of employed persons declined by 1.4 million during the past few years. The largest number of workplaces ceased to exist in agriculture, while agricultural production has become the sole source of livelihood for a growing number of people. One needs land to make a living, of course.

The Minority That Remained Within

One of the most important agricultural developments of recent years is that the large enterprise form of operation—the successor organizations to the former cooperatives and state farms—no longer plays a fundamental role in employing the manpower of villages. The role of large enterprises as employers has seized, while the land area owned by these large enterprises has substantially decreased.

According to rough estimates, between 2 and 2.5 million people in Hungary performed some kind of agricultural work in 1991. Among these, the most important and largest group is that of agricultural employees, composed of the following: employed people who have not reached retirement age, members of producer cooperatives, independents and their working family members, as well as part-time workers, retired persons who continue to work, day workers, and seasonal workers. Their number (including temporary workers) declined by more than 0.5 million between 1990 and 1993. (Table 1) Within this group, the largest reduction in personnel—337,000 workers—involved the full time employees of large plants, and members of producer cooperatives.

Table 1
Number of Persons Employed in Agriculture

Year	Thousands of persons
1990	955
1991	835
1992	648
1993	431
Decrease, 1990-1993	524

Source: KSH [Central Statistical Office], The work force balance of the national economy, 1 January 1993.

Downscaling of the number of employed persons by two-thirds has taken place while the arable land owned by the former large enterprises decreased by about 1.1 million hectares, i.e., altogether by 19 percent. Almost the entire land loss involves cooperative land; land owned by cooperatives has shrunk by 25 percent since 1990, but even after that, cooperatives had as much land left as they had in 1980, when they still had 50 percent more members and employees. Meanwhile, regardless of whether they were, or were not converted, cooperatives scaled down their animal husbandry operations, and even in plant production they changed to more extensive cultivation. Hardly any production was left behind in some of the new enterprises and corporations, instead they experimented with service provision and commercial activities.

The Majority Left Outside

The change in the structure of activities partially explains why the enterprises, corporations, and cooperatives dismissed a proportionately far greater number of manual workers than so-called white collar workers. During the past four years, the number of full-time manual workers has decreased by 314,000 at large plants and their successor organizations; by this spring, their number has decreased to 151,000 (or 146,000, according to other sources.)

Accordingly, the weight of large plants in terms of agricultural employment has greatly declined. Based on more recent rough estimates we can state that as of late 1989, large plants still employed almost 68 percent of the agricultural manual work force pursuing such work as primary employment; assuming that the total number of potential employees, and of independents has not changed, this ratio today is estimated to be 18 percent.

What has happened to the majority left out of the large plants and their successor corporations, and what are they doing now? Generally speaking, these people live in villages, and are able to perform some kind of manual agricultural work only. No new workplaces were created for them in the industrial and service sectors, therefore they remained in agriculture. Judging by various statistical data, enterprises, corporations, and cooperatives

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employ hardly any more seasonal workers than before. Thus, we find, that a majority of those who got out of large plants and their successor organizations got stuck on their own, or leased parcels of land. Short of such land, or in addition to such land, they might perform seasonal or day work in the private farms of others, much like the agricultural proletarians of long ago. Some of the cities' unemployed joined them; certainly, the bulk of internal migration tended toward the villages in recent years.

The question is whether these people find a place to work. As of the middle of 1993, about 2 million hectares of land, or less than one-third of all arable land, was privately owned, in a literal sense of that term, (i.e., in addition to the previously-mentioned successor enterprises). On about half of this land area people pursued small-scale production, while on the other half, or almost one half of that land area, private enterprises were doing business.

To Whom Does the Land Belong, and Who Cultivates It?

As of recently, we find that usually there is a great difference between the ownership conditions and use conditions of arable land in Hungary. We know of only one example for perfect coincidence: the three-year period starting with the 1945 land reform, and ending with the cooperative effort. According to our view of modern agriculture, it is preferable to have only a small diversion between land ownership and land use, but perfect coincidence does not exist even in West Europe. In the midst of rapid change during the past five years, it was impossible to obtain a coherent picture of what had been going on in Hungary in this regard. Nevertheless, statistical data was available from time periods preceding the system change; on this basis, one could have at least estimated the direction in which the desired (or opposed) estate policy would cause displacement.

In 1989, three-fourths of the land was owned or used by cooperatives. Cooperatives pursued farming on state-owned, and member-owned land, and further, on land contributed by members, but redeemed between 1967 and 1989. The latter became the cooperatives' joint property. (Table 2) Land was still being redeemed in 1989, although by then many—especially the owners of outlying farms—protested the process. About 40 percent of the land that remained state-owned, or used by the state, and almost all of the state's land transferred to cooperatives was land "offered" to the state previously, or land that had simply been confiscated from small land owners.

Table 2
Ownership Distribution of Land at the Disposal of Cooperativesin 1968 and 1989 (1,000 hectares)

	State-owned	Owned by cooperatives	Member-owned	Total
1968	1,521	5	3,955	5,481
1989	216	3,471	1,992	5,679

Source: KSH, Land ownership and use conditions in Hungary (1949-1989), Budapest, 1990

In 1968, a few years after total collectivization, only one percent of the cooperative land, or 5,000 hectares constituted land jointly owned by the cooperatives. Compared to this situation, ownership and use conditions became more closely matched in the next two decades, although state farms continued to transfer lands to cooperatives even during this period. At the time of the system change, land suitable for agricultural cultivation and available to cooperatives broke down roughly as follows: members' potentially deeded property, 2 million hectares; land redeemed from members, 2 million hectares; arable land received from the state, 1.5 million hectares.

To some extent, in state farms, and to a greater extent, in cooperatives, private persons were farming on land received in lieu of pay, in household farms as sharecroppers, or on leased land, as the users of land. From among these modalities, data is insufficient with respect to sharecropping. This form of farming peaked in the late 1960's, early 1970's, and then continuously declined to about 350,000 hectares by 1990. Other types of small production reached the lowest level in 1982 with 849,000 hectares used; this increased to 1,137,000 hectares by 1990. According to the 1991 small plant assessment, of the 1,314,000 hectares of arable land used for small production, 640,000 hectares were owned by the small producers.

Since the cooperative farming movement, the forms of small production have changed much more forcefully, than the total land available for small production. The total land area available for small production declined from 1.417 million hectares in 1961 to 991,000 hectares in 1982, then once again increased rapidly. (Table 3) This may come as a surprise to many: In the 1980's the land area used for household farming shows the greatest decline; instead of pursuing household farming, one could lease cooperative land. By then, auxiliary farms were regarded as private farms, and, as shown in Table 3, significant land areas were purchased from producer cooperatives in 1990.

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Table 3
Changes in the Use of Small Producer Land Areas by Form of Use (1,000 hectares)

	1968	1976	1982	1989	1990
Land in lieu of pay	73	43	40	45	44
State farms	34	28	29	33	31
Other	39	15	11	12	13
Household	813	661	466	350	199
Agricultural cooperatives	744	536	387	321	199
Other	70	125	79	29	-
Lease	-	-	39	232	349
Auxiliary farms	254	307	342	377	550
Individual	216	197	104	112	147
Totals	1,357	1,208	991	1,117	1,289

Source: see previous table

The First Robust Signs

By 1992 no substantive change has occurred either in the land ownership and land use conditions that prevailed until then, or in the structure of enterprises. The first robust signs of transformation and privatization could be felt in 1993, when the proportion of private producers (not counting gardens within municipal limits) has increased to almost 30 percent within the total land area. Only then did land auctions based on compensation laws begin. As of May 1994, about 1.5 million hectares of land were passed into the ownership of compensated persons. (Table 4) This represents a major increase in privately owned arable land. The 1.5 million hectares, however, cannot be simply added to the 1.6 million hectares, which were cultivated by entrepreneurs and small producers according to earlier data: One cannot tell how much of the latter land area was based on compensation claim, alternatively temporary leasehold established on the basis of some other consideration.

Table 4
Results of Land Auctions Completed as of 10 April 1944

Gold Crown value of auctioned arable land, millions	Number of persons acquiring land at auctions[a]	Land area auctioned, 1,000 hectares[b]
31.5	421.7	1,575.0

[a] Includes the new owners of forest land worth 671,000 Gold Crowns; the number of persons acquiring arable land may range from 360,000 to 380,000

[b] Estimate, based on 20 Gold Crowns per hectare. Close to 6 million Gold Crown worth of high value land was auctioned in Bekes and Csongrad counties.

Source: based on FIGYELO Info, 19 May 1994 issue

Similarly, we do not have accurate information on the increased number of land owners (private users of land). Only 10 percent of the 1.4 million small farms (miniature farms) in 1991 were larger than one hectare. Most of the 1.5 million hectares auctioned was transferred to the ownership of families whose members, in one form or another, have already been engaged in agricultural production in the same municipality. The same holds true regarding the so-called "outsiders," (i.e., not local people, and not members of the cooperative claiming their proportionate share,) who claimed their share of assets from a cooperative. Persons who once left a cooperative, and returned a few years later to work in agriculture, usually settled in a different village. But regardless of whether these persons live close by, or at a distance, the number of "outsiders'" farms of an insignificant size is decreasing, while the number of regular miniature farms and small farms is certainly increasing.

The press and the radio reported several times that large numbers of former members and employees of producer cooperatives want to lease to large plants the lands they received as compensation. Far less is being heard about leasing in the opposite direction, even though some enterprises (limited liability corporations) engage in leasing cooperative land already liquidated, or subject to liquidation. The few thousand small- or medium-sized estates regarded as viable have developed thus far mostly on leased land, or on land taken over from the original recipients of compensation.

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Lech Walesa To Run For President

BR0410151394 Amsterdam DE VOLKSKRANT in Dutch 4 Oct 94 p 4

[Report on interview with Polish President Lech Walesa by Cees Zoon in Warsaw; date not given: "Walesa Is Brimming Over With Proposals—Polish President 'Does Not Have the Power' To Carry Out His Plans"]

[FBIS Translated Text] Warsaw—It is said that President Walesa has become a lonely man. The parties that emerged from his old Solidarity want nothing more to do with him, he is on a war footing with the left-wing coalition, and his popularity has fallen to a dramatic low point. All that is because Walesa lays too much emphasis on strengthening his personal power, his critics say.

That is the wrong picture, Walesa said in the reception room of his new palace, close to the heart of old Warsaw. He is brimming over with good proposals, but their implementation is being blocked by others. He can demonstrate that, the president stresses several times during the interview, by dipping into the in-house library of video recordings. "All of my proposals, just like this interview, are recorded by that gentleman with the camera," he said.

The fact that the president has a difficult relationship with the government passed his lips only indirectly. "I do not know what you mean by a bad relationship," he said. "Everyone has his own job, and I am trying to encourage the government to work hard. Then people get the wrong impression all too quickly. Of course, there are differences of opinion. For example, I am convinced that privatization could go far quicker, and I am trying to achieve that."

Last year, the former communists returned to power because Poles were unhappy about the reforms. They promised to tackle things differently. "In every election campaign, there are a great many promises. Every democracy has this fault," he said. "I myself also thought that the postcommunists, now that they no longer have to achieve the communist utopia, would be in favor of broad privatization, but that is not proving to be the case."

But neither does that mean that there is a restoration, Walesa said. "That is not possible because the reforms are already halfway there," he said. "They cannot be turned back, and, moreover, the postcommunists have become owners themselves."

"In former years, the communists did not care for the large mass of people," Walesa said. "Nor are they doing so now because mass privatisation has not taken place. You can sum it up briefly like that. I would be very glad if we could carry out the reforms within 10 years, but, with the pace of the present government, it will take 20."

The election campaign has started, and Walesa has launched his attacks on the government. But it will not become an intense war. "I think this campaign will go differently from the one of a few years ago," he said. "There will be no question of struggle or destabilization. I want to campaign differently, more constructively and not dismantling things as much."

Walesa said he had no worries about his low popularity. "If I sat still and smiled at everyone, my popularity would be greater," he said. "But I work hard, I stimulate people, and I criticize people. I work too hard, and, therefore, I am criticized by various groupings. If I can make that clear, my popularity will increase immediately."

Many wonder if Walesa still has any political friends left. "You cannot put it that way," he said. "During this term of office, I had to build up pluralism. It was unavoidable that that would make me a bone of contention. I could have remained the big leader of Solidarity, the president of Solidarity with a Solidarity government, but, well, then there would have been no pluralism."

"It was a difficult choice for me," he said. "Some people say that we could have curbed the discord and disputes, but then there is a situation of manipulation. I have chosen the right path. Discord has gone too far, that is true. But we had to go our separate ways in order to be able to return to one another later. Therefore, I have done my work very well following my own guideline. I am also paying the price for that, but it was a conscious choice."

And now the time of reconciliation has come. "Yes, but differently," Walesa said. "We are now more experienced and see the need to come together. Sometimes dissent can go too far, like the breakup of Czechoslovakia. For us the split of Solidarity went too far, as well, but with the intention of coming together later on a different, more logical basis."

"I was a worker for more than 25 years," Walesa said. "And it is difficult to claim that I do not see the needs of the workers. Sooner or later, there must be a rapprochement again. We are each others' natural partners. We have the same objectives—previously in the struggle, in prison, and now on a peaceful basis."

Of course, Poland would do best to go through another term of office with Walesa. "I have achieved great changes," he said. "I shall prove what kind of work I have done, and I shall demand the price for that work. And, if the Poles are honest capitalists, they will pay a serious price. If I have not yet built up a good capitalist system, it may happen that some people will not want to pay the price."

"I want to remain president not out of ambition but because I want to do something," he said. "I have so many ideas and plans. I think there is no one with more plans and ideas. Of course, there are reproaches that I have not implemented some plans. My ideas and wishes were good, but I could not carry out everything because I do not have the power."

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Walesa mentioned as an example his idea of giving every Pole 100 million zlotys in the form of securities for privatization. Or his idea of NATO II, which was later presented "by someone else" under the name "Partnership for Peace." "My critics say: Fine proposals, but what has come of them?" Walesa said. "They do not know that I did not have the power to implement them. If I explain it like that, I hope the Polish people will judge me justly."

Therefore, it is crucial that the new Polish constitution gives the president more power, Walesa believes. "The executive must become more efficient," he said. "Government and president must form a tighter unit. Both systems are good, but each in its own place and its own time. In the Polish situation, efficient policies are necessary."

"Just like in Ukraine and Russia—they work with a presidential system, too. Is that not democratic then? Are the U.S. or French presidential systems not democratic? Or," Walesa adds with a grin, "the British system, with a queen. Is that not democratic?"

Rightist Politicians on Supporting Walesa

WS0410152994 Warsaw RZECZPOSPOLITA in Polish 4 Oct 94 p 2

[Article by K.Gr. and M.D.Z.: "What Right Wing Wants in Return for Supporting Lech Walesa"]

[FBIS Translated Text] While seeking support before the presidential election, Lech Walesa is looking in the direction of the groupings that supported him four years ago. However, in the right wing today, there is no party that would sympathize with Walesa. As far as their attitude toward Walesa is concerned, rightist parties can be divided into those that are averse to the president and those that are very much averse. The latter cannot see a possibility of changing their attitude; the former determine the possibility of backing the present head of state in the presidential election on concrete conditions.

Movement for the Republic [RdR] leader Romuald Szeremietiew, who considers himself a pragmatist, determines his support for Walesa on his chances in the election—that is, on the support that other forces functioning on the Polish political scene will be ready to lend to the president. "For the time being, the president does not seem to have a good idea of how to regain the electorate that backed him in the previous presidential election. The meeting with Solidarity ['S'] may change something," Szeremietiew says, and adds: "It is hardly plausible to demand that we support a candidate who does not stand a chance of winning."

The RdR leader also believes that Walesa should take such political measures that would alter his public image. "How are the presidential ministries functioning? Who is hiring employees [zaludnia] of the President's Chancellery and how?" he asks. He says that, if these changes were actually made, the right wing might consider the idea of supporting Walesa in the election. "For the time being, there are no concrete activities of the president to be seen," Szeremietiew states.

The Secretariat of Rightist Groupings, which is close to 'S,' does not rule out the possibility of backing Walesa, even though Andrzej Anusz of SUC [Secretariat of Center-Right Groupings] would not like his statement to be interpreted as a submission of conditions to the president.

"We might back Lech Walesa if he started doing things to try to regain his credibility among voters and if he settled three fundamental issues," Anusz says. First, if he cleared the air over the Presidential Chancellery—I mean, of course, Wachowski; second, if he clarified his past (that is, the "Bolek" issue) ["Bolek" allegedly was Walesa's code name when he cooperated with the communist secret services] and if he, for example, submitted a file-reviewing draft law as a presidential initiative; and third, if he clearly specified his opinion on the current government (I mean the flirtation with the Polish Peasant Party).

Similar opinions are expressed by Ryszard Czarnecki, acting president of the Christian-National Union [ZChN]: Walesa's road toward a rapprochement with the right wing cannot be blocked.

"It will not be easy for the president to win the support of the ZChN, especially after his recent activities. However, it is not absolutely out of the question," Czarnecki says. "The president," he adds, "should start conducting a policy aimed at limiting the role of the Democratic Left Alliance [SLD]. He should change the personnel policy in the ministries subordinated to him (which are still dominated by people of the old system), and he should also get involved in a consistent defense of Catholic values." "If Walesa and an SLD candidate passed to the second round, our support for the incumbent president would be obvious," he says. "For the time being, however, we are trying to find a common candidate of the rightist coalitions."

Marek Kotlarski, general secretary of the Conservative Coalition, a party that is a constituent of the Alliance for Poland, along with the ZChN, Center Accord [PC], Szeremietiew's RdR, and Peasant Accord, cannot see any possibility of backing Lech Walesa. "I am convinced that our attitude toward Walesa will not alter," Kotlarski says. "Anyway, I do not think that the recall of Minister Wachowski, for instance, might change anything in the president's policy."

Conservative Party Leader Aleksander Hall also does not intend to submit any conditions to Walesa. "We are considering the option of fielding a common candidate of the post-August Poland, but Lech Walesa simply cannot play this role, the role of the one who unites," says Hall, who favorably received the news that the president had rejected the abortion law as well as the president's announcement that he would veto the law on

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state secrets. However, these activities do not convince him that Walesa would be a good candidate.

Janusz Korwin-Mikke, leader of the Union for Real Politics [UPR], which, just like Hall's party, is a component of the Alliance of 11 November coalition, also cannot see any steps the president might take to become reconciled with the right wing. "For us to think about backing him, he would first have to actually run. Now, I think that when it turns out in March that he does not have a chance, he will withdraw," Korwin-Mikke says. "Incidentally, it is out of the question to back someone who is not reliable, who now supports the left pillar and then the right one."

UPR leaders met with Henryk Goryszewski, head of the presidential National Security Office. However, Janusz Korwin-Mikke gives assurances that Goryszewski talked with them as "a minister of state" and not as Lech Walesa's electoral agent.

PC Leader Jaroslaw Kaczynski is determined in his aversion toward the president. There is no possibility for this to change. "Nothing will force us to support a center of a criminal nature," says Kaczynski, when asked about Walesa.

Daily Analyzes Walesa Policy Toward Military

WS0510084594 Warsaw ZYCIE WARSZAWY in Polish 4 Oct 94 p 2

[Commentary by Luiza Kowalska: "President's Dangerous Romance With Army"]

[FBIS Translated Text] The first clear sign came from the Belweder a week ago. The president put the name of a retired general on the list of members of the National Council of Radio and Television. The choice of this general was not accidental; a year ago he ran for parliament on the ticket of the Nonparty Bloc in Support of Reforms. He lost. He was retired. Soon everyone would have forgotten about him if it had not been for...the president. "You have placed your trust in me, so I will help you. Anyone who supports me will be all right," Walesa proved to the officers of the General Staff.

It goes without saying that the president still has a lot to do in the Army. Opinion polls show that support for him among officers is very low. Hence, this considerable movement in the Belweder and a lot of trips by members of the presidential entourage: to the ceremonies of officers' promotions, to the maneuvers in Biedrusko, to Polish Army holiday celebrations in Bydgoszcz, to the briefing of the National Defense Ministry [MON] cadres in Drawsko.

Only in Drawsko, however, did the president do more than anyone had expected. "Demand more," he encouraged, which included aggravating the conflict in the MON leadership in his election campaign schedule.

It must be remembered that today MON is a presidential ministry and Defense Minister Piotr Kolodziejczyk is Walesa's man, as is General Tadeusz Wilecki, head of the General Staff. Both of them, however, are positioned in such a way so as not to become independent. Both are pitted against one another.

Publications of such different orientations as GAZETA POLSKA and SZTANDAR MLODYCH have recently carried reports on the personnel changes that are to be made in the MON leadership. The head of the General Staff is to be appointed defense minister, and the minister will simply be recalled. Even though it is no secret that the contacts between both these gentlemen increasingly boils down to exchanging forced pleasantries at official meetings, it does not follow that one might replace the other. It is rather unlikely for the coalition (the prime minister signs the motion requesting the nomination of the national defense minister), even though it is far from the criticism displayed by the Freedom Union, to swallow such a bony fish and admit an arrogant general into the government.

In this case, another option seems likely, which has recently been heard in Belweder circles. In the campaign of cleaning up the stable, the president employs Wilecki in the post vacated by Mieczyslaw Wachowski. Wachowski will be moved out of the limelight for the duration of the presidential campaign. Critics of Walesa's goalkeeper (that is, the right wing) will be satisfied, as will the supporters of Gen. Wilecki.

What about the defense minister? It is difficult to grasp the desire to recall him because, as his successor is appointed, the coalition will not easily agree to once again be deprived of its influence within MON. Another option: To hit the postcommunist cabinet, Walesa recalls all three of his ministers—the heads of MON, the Ministry of Internal Affairs, and the Ministry of Foreign Affairs. This option is, for the time being, not very likely, either—for example, because the Belweder would lose its influence over the special services, which, in turn, might weaken all his trump cards during the campaign. Walesa might also reach agreement with Prime Minister Pawlak and appoint (as part of the campaign of breaking up the right wing) Romuald Szeremietiew, for instance, to head MON. Szeremietiew would be satisfied, rightist voters would be confused, and the Polish Peasant Party would have a deputy minister in the ministry, which is today independent of it. It is possible that the peasants would at the same time win the sympathy of the right side of the political spectrum, hoping to receive support in the second round of the election.

When, during the 30 September meeting with MON leaders, Walesa thanked Kolodziejczyk by saying: "I believe that he will serve the Army and Poland in various posts as well as he has done so far," journalists thought they heard, "You are recalled." The president does not, however, publicly express disappointment at his people or announce their recall. Thus, perhaps he is only trying

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to frighten the minister because he can see that he communicates too easily with the Democratic Left Alliance (even though it is not clear whether the good relations between Kolodziejczyk and the postcommunists do not suggest that his relations with the Belweder are deteriorating).

"With this experience and knowledge, he is the best defense minister of those who were born before 4 June 1989," ZYCIE WARSZAWY was told early in the summer by Jerzy Szmajdzinski, general secretary of the Social Democracy of the Polish Republic, who seemed to have forgotten the disputes that came when the coalition was trying to introduce its deputy minister to MON and that lasted several months. At that time, he declared an attempt to put an end to conflicts, if there arose a "clear dispute" between the minister and the president. "If in this situation we had not responded, it would have meant that Kolodziejczyk is a minister of Lech Walesa and not of our government. Now, this is really not the case," he explained.

It is possible, then, that the president is simply reprimanding his minister. He wants to use this occasion to score more points with the generals. He wants to take advantage of the weak position of the civilian minister in the Army. "He is not getting any money for you, and he is not dealing with the most important laws. However, he is criticizing you and holding talks with deputies. I will not passively watch such activities," he winks at the officers. "You do not like him, then I will cut him down to size. Let him know his place."

The generals could not be happier. Now, was there anyone who appreciated them so much after 1989, anyone who eulogized them so much? Did anyone call them Great Sons of the Polish Nation? So far, they have primarily heard politicians say that they were educated in Soviet academies and that the Polish People's Army, which they joined as young men, was a "Polish-language formation." President Walesa is a different story.

Thus, the generals' actions cannot be questioned, but they also cannot be justified because all of them are swearing and will keep on swearing that the election campaign is not for the Army and that it is not waged in the Army. In reality, it is already in full swing.

Last weekend, journalists from several newspapers received a fax message, which said that a group of generals had passed a vote of no confidence in the defense minister. The fax was not signed. The headline suggested that it had been sent from the meeting in Drawsko.

Was it a mutiny? Was it a provocation? Was it the idea of the General Staff or the Belweder? It is only certain that something such as this could never happen in a truly democratic state, with an apolitical Army.

The emancipation of high-ranking officers of the Polish Army is very close to the border of security. Because Walesa says today: "You are great," tomorrow he may say: "You can do anything." It should be added that the civilian defense minister has contributed to this himself. In line with the ordinance signed by him, soldiers do not have to salute to (civilian) deputy ministers, and deputy ministers must stand in line to get a pass that allows them to enter the buildings of the General Staff.

Walesa has nothing to lose. He will either win or not win. However, staff generals have a lot to lose.

Poll Shows Trust in Army High, in President Low

WS0510112494 Warsaw RZECZPOSPOLITA in Polish 5 Oct 94 p 2

[Article by R.W.: "OBOP Tracks Trust in Institutions; We Believe in Army"]

[FBIS Translated Text] We trust the Army the most, the president the least. As for the institutions of authority, we trust, first of all, the head of local administrations: the mayor or village administrator. Our confidence in the prime minister is greater than in the office he heads. Our opinion of the Sejm is better than of individual deputies representing our constituencies. The ranking of public establishments was drawn up on the basis of a poll conducted by the Center for Research on Public Opinion [OBOP] in early September.

Trust in Institutions

	Percent
Army	82
Spokesman for civil rights	67
Police	66
Village administrator (mayor)	56
Prime minister	54
National Council of Radio and Television	53
Government	42
Sejm	38
Senate	38
President of the Polish Republic	26

Over 80 percent of respondents declare confidence in the Army. At least two-thirds of respondents trust the spokesman for civil rights and the police. More than 50 percent of respondents trust the head of the gmina [smallest administrative unit] administration, the prime minister, the National Council of Radio and Television, the Supreme Chamber of Control [NIK], prosecutors' offices, and courts of law. The position of the president is the worst: He is trusted by every fourth respondent, whereas as many as 70 percent of respondents do not trust him.

Over the past two months, there has been a decline in social confidence in the government and the police (by 6

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percentage points), in the Sejm (5 points), and in NIK (4 points). The rating of the Army has improved (by 3 points).

Confidence in the government has now dropped to the lowest level since the beginning of 1994. This confidence has declined by 11 percent since February. Confidence in the president has decreased by 12 percent.

* * *

The OBOP poll was conducted between 2 and 6 September on a 1,048-person random sample of inhabitants of Poland over age 16.

NIK Files Charges Against Minister Podkanski

WS0410145794 Warsaw GAZETA WYBORCZA in Polish 1-2 Oct 94 p 2

[Article by Jacek Pawlicki: "Podkanski Before the Tribunal"]

[FBIS Translated Text] The Council of the Supreme Chamber of Control [NIK] decided yesterday to present the Sejm with charges against Leslaw Podkanski, minister of foreign economic cooperation and a member of the Polish Peasant Party [PSL].

NIK does not have the authority to bring a minister before the State Tribunal. Only the president, 115 deputies, or a special investigation commission may do so. NIK will therefore pass on an opinion to the Sejm, which is to debate the issue at a plenary session.

Lech Kaczynski, head of NIK, stressed yesterday that he has resorted to this procedure for the first time. He was very skeptical as to whether the motion would be passed by the Sejm, but he did not rule out success. "Not everything is done according to coalition lines in the Sejm," he said.

All 13 members of the NIK council, appointed by former Chairman Walerian Panko, supported the charges against Podkanski. Council members, apart from the chairman and deputy chairmen, include lawyers Roman Chalimoniuk from Wroclaw and Bohdan Jalowiecki from Warsaw University, and Andrzej Krzysztof Wroblewski, editor in chief of GAZETA BANKOWA.

NIK accuses Podkanski of violating the law on several occasions when establishing the Polish Foreign Investment Agency. As starting capital, he transferred 3 billion zlotys [Z] from the Export Development Fund from money that was to be paid back to the state budget. His greatest sin is that he allocated more than Z4.5 billion in shares of Elektrim, BRE, and Universal to the agency. According to NIK, the minister has violated the Constitution: He did not have any right to administer state treasury funds.

The NIK report was rejected at the end of August by the Sejm commission for foreign economic cooperation (in which the PSL has a definite majority). Podkanski denies the accusations. "Everything was legal. I will defend the Agency to the very end," he declared yesterday.

Minister Kaczmarek Deplores Privatization Delays

MM0510085294 Katowice TRYBUNA SLASKA in Polish 27 Sep 94 p 1

[Article by "W.W.": "Deadly Delay"]

[FBIS Translated Text] Warsaw—"This is by now a question of Poland's credibility in the eyes of outside observers," Privatization Minister Wieslaw Kaczmarek insisted. "The first question asked by every foreign delegation is: 'What is happening to universal privatization?'" During his meeting with the press, the minister did not spare bitter remarks addressed at his own boss.

All documentation relating to the enterprises that were initially selected as qualified to participate in the National Investment Funds [NFI] have been presented to the prime minister, all questions have been answered, and yet no decisions have been made so far concerning two key problems. Waldemar Pawlak is still putting off the signing of the list that registers all of the enterprises earmarked for commercialization, just as he is postponing the confirmation of the candidates to the 19 NFI supervisory boards (between five and nine members on each board), selected in a special competition.

Several days ago, Minister Kaczmarek sent the prime minister a special report ("The Costs of Abandoning the Program"), which implies unequivocally that, by putting off the decisions, the latter also harms the enterprises involved, which are at present suspended in a vacuum. Almost half the firms appointed to participate in the NFI program are already recording net losses, and the prime minister's procrastination is beginning to cost us dearly.

Since, according to Kaczmarek, "tears do not become politicians," he is instead trying everything in his power to save the situation. Eighteen joint-partnership companies have been placed on the road to recovery, which is described as "the system of managerial contracts." The list includes the Graphics Company plant in Bielsko-Biala, the Temed company in Zabrze, the Wanda company in Sosnowiec, Czestochowa's Welnopol, and the Automated Cooling Systems Factory in Cieszyn.

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Article Views Radioactive Waste Situation

AU0410113994 Bucharest TINERETUL LIBER in Romanian 29 Sep p 8

[Report by Cristian Vlad: "The Magurele Reactor Is Running With Its Guarantee Period Expired"]

[FBIS Translated Text] Everyone knows about the existence of the Atomic Physics Institute [IFA] at the Magurele platform. Similarly, everyone knows that here there is a nuclear reactor designed to perform scientific research in the domain of nuclear fission, as well as to produce radioactive isotopes intended for our industry and medical sectors. However, less known is the existence of the low- and mid-level radioactive waste-processing station [statia de tratare a deseurilor radioactive—STDR], which is unique in our country.

The whole equipment of the STDR is British-made and is over 20 years old. Ever since it became operational it has never been overhauled, and now repair would be even more difficult, as it is impossible to find spare parts. Now and then it has been "fixed" by the personnel, so it is still running, but the risks of a major breakdown are great, a case in which it would purely and simply come to a standstill.

As opposed to chemical wastes, there is nothing one can do with radioactive wastes, but reduce their volume and try to deposit them in safe storage rooms until their noxious properties vanish in time (which may take between 50 and several thousand years). The safekeeping of radioactive wastes is an international problem, to which they have found extremely diverse solutions, beginning with their being deposited in ocean beds to their blasting off into cosmic space.

The depository at Baita (Bihor County) is actually an old uranium mine that has already been completely exhausted (by our eastern brothers). Besides the technical conditions that favored the selection of this site (extremely hard and dense rock, deep mine shafts, and the lack of underground water,) there were also reasons of a psychological nature, namely that the local population was already accustomed to the "radioactivity" in that area, and therefore several additional thousand C's (Curie—measurement unit for the intensity of nuclear radiation) would not have scared them at all. However, owing to a landslide that took place there several years ago, water began to infiltrate the mine, and the danger arose that after washing over the deposited material it could spread throughout the environment. The solution adopted to avoid an ecological catastrophe was the protection of the deposited containers with a substance called bentonite [bentonita], which acts like a sponge, absorbing the penetrating moisture, as well as all leakages. The Baita depository is the only one in Romania, or in almost all of Eastern Europe (as there are only two more such places in Poland and Czechia), but it is far from being the safest one.

The Magurele reactor, which was built in the fifties, entirely of Soviet-made parts, is still running acceptably, although its lifetime was calculated at about 30 years. There are 30 people working in the building that shelters the equipment, where the radioactivity level is quite high, but still, most of them do not earn more than 150,000 lei [$88]. STDR was simply left without any budget at all, although they needed at least 350 million lei, not to mention the funds that would have been necessary to overhaul the equipment.

During the first years after the reactor came into operation, the radioactive wastes were deposited without any control in a World War II German fortress somewhere on the outskirts of Bucharest. Later on they removed the wastes from that place, but the fortress itself remained radioactive, its poison still being washed by rains into the soil and from there absorbed by plants.

Between 1975 and 1980 a forestry engineer (his name does not matter as he has meanwhile passed away) began to inject radioactive cobalt into the trees of the Scrovistea Forest in order to take alleged "scientific measurements." The result was the radioactive contamination of several hundred square meters of the forest, owing to which they had to decontaminate hundreds of barrels of soil, as well as hundreds of cubic meters of wood.

In 1991, in a house situated at 15 Luca Stroici Street [in Bucharest], owing to an accident that occurred with a source of gamma radiation, the entire three-level building was contaminated, necessitating extraordinary efforts to decontaminate it. Nevertheless, currently radiation can still be measured in the building, but for some "obscure" reason they have meanwhile abandoned the long-term monitoring of the radiation, which should have been done.

These are not isolated cases in Romania. Owing to the closing down of many of the industrial units that used radioactive sources, a great deal of the latter simply disappeared. Can there be any greater temptation for amateur fishermen than a piece of lead for their fishing rods? Regardless of whether the lead has been irradiated? And if a lightning rod falls into one's yard, how should one know that it is noxious?

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UNHCR Official Reports on Aid Progress

LD0410224894 Belgrade TANJUG in English 2131 GMT 4 Oct 94

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 4 (TANJUG)—The United Nations High Commissioner for Refugees (UNHCR) Belgrade office sent a convoy with 60 tons of food to the Muslim town of Srebrenica in eastern Bosnia Tuesday. UNHCR spokesman in Belgrade Yoko Nishimura confirmed in a statement to the Bosnian Serb News Agency SRNA that the convoy arrived at the Karakaj border crossing between Yugoslavia and Bosnian Serbs in the early afternoon hours. The border formalities are underway, she said.

Nishimura said another UNHCR convoy of 5 trucks with about 80 tons of mostly food items also left Belgrade Tuesday morning for the Serb towns of Vlasenica, Nevesinje and Gacko, east of Mostar in Herzegovina. The UNHCR plans two more convoys Wednesday with about 120 tons of food for the Muslim towns of Srebrenica and Zepa, eastern Bosnia, Nishimura said. There will be another convoy Wednesday for the Serb towns of Bijeljina, Visegrad, Kalinovik and Srbinje, also in eastern Bosnia, she said. Ten trailer trucks will bring a total of 140 tons of food items, she said.

Nishimura said the convoy for the Muslim town of Gorazde in eastern Bosnia which was detained at the border Monday had continued on its way today after receiving permission from the Bosnian Serb authorities.

The TANJUG correspondent in Podgorica said the first humanitarian convoy of the Yugoslav Red Cross since the new regime was imposed at the border with Bosnian Serbs had arrived in the Serb town of Trebinje in eastern Herzegovina Tuesday.

Montenegrin Red Cross representatives said the population of eastern Herzegovina had received 60 tons of food and medicine.

The loading of the trucks and the crossing of the border were verified by members of the mission of civilians deployed along Yugoslavia's border with Bosnian Serbs. It is the job of these civilians to see that only humanitarian aid crosses the border, in agreement with a Yugoslav Government decision of August 4.

Electricity Situation 'Extremely Difficult'

AU0410202894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 4 Oct 94

[FBIS Translated Text] The electricity situation in the free parts of Bosnia-Herzegovina is extremely difficult. Apart from the generators in the Kakanj and Tuzla power plants being out of action, this afternoon the Jablanica hydropower plant stopped work due to lack of water in the resevoir. Only a small number of priority consumers will receive electricity until the situation improves. General consumers will not receive electricity overnight either.

Ganic Warns UNPROFOR of Serb Offensive

AU0410154094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 4 Oct 94

[FBIS Translated Text] Ejup Ganic, member of the Presidency of the Republic of Bosnia-Herzegovina and vice president of the Federation, today received General Michael Rose, UNPROFOR [UN Protection Forces] commander for Bosnia-Herzegovina, and his aides. The talks were also attended by Enes Karic, minister of science, education, and culture.

Ejup Ganic warned Gen. Rose about the latest preparations by the Serbian aggressor, who is concentrating troops to attack the Bihac protected zone. Foreign news agencies are already reporting on the large-scale offensive that is being prepared by the chetniks. Ganic warned UNPROFOR very seriously, and via it, all the UN structures, about the aggressors' latest intentions.

He also wanted to know what specific actions UNPROFOR plans to take concerning this very serious violation of the agreement on the Bihac security zone. This and a number of other serious violations by the aggressor side in the implementation of the agreement on the safety zones and other agreements (?will be discussed) at the meeting between the Bosnia-Herzegovina delegation and Yasushi Akashi, special envoy of the UN secretary general, tomorrow.

Today, they also discussed problems in the delivery of humanitarian aid, which the aggressor side is systematically hindering. The Bosnia-Herzegovina authorities' demand for the opening of the Sarajevo airport, which is technically completeiy in order, was particularly stressed.

UNPROFOR: Sarajevo Situation Tense, Unstable

AU0410200594 Paris AFP in English 1953 GMT 4 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 4 (AFP)—Sarajevo ceasefire violations topped the 2,000 mark Monday [3 October] for the first time since the accord came into force in February, a UN spokesman said here Tuesday.

"The overall situation in Sarajevo (on Monday) remained tense and unstable," UN Protection Force senior spokesman Lt.-Col. Tim Spicer said. "The number of firing incidents (...) was unusually high. For the first time more than 2,000 firing incidents were recorded."

The rise in shooting incidents came amid a surge in shelling in the Olovo and Vares regions north of Sarajevo, Spicer said. Some 1,500 artillery and mortar rounds fell on the northern edge of the confrontation line

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in the Olovo area, said Spicer. Another 731 artillery and mortar detonations were recorded in the Brugule area [on the Konjic front], where Serb and Bosnian troops have been attacking and counterattacking recently.

"It appears the Bosnian Serbs are probably launching an attack against Cermerska Planina," he said. The Moslem-dominated Bosnian army and Bosnian Serbs have been engaged in long-running battles for control of key supply routes in the area.

Radio Updates Republic's 4 Oct Combat Situation

AU0410202794

[FBIS Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1800 GMT on 4 October carries within its regular 32-minute newscast the following update of the combat situation in the republic:

According to Zvornik correspondent Nijaz Banjanovic, "an intense artillery attack was launched this afternoon on the civilian settlements of Kovacevici and Vitinica from the direction of Avdovici and Bijela Zemlja. From Pecina above Capna, the chetniks fired a Malutka guided missile at Kobilici."

Correspondent Izudin Durakovic reports from the Press Center of the 2d Army Corps that the "chetniks on the Gracanica front have been engaged in provocative fire from snipers and death sowers [M-84 machine guns] since early this morning. Around noon they shelled Lukavica and the settlements of Ogradjenica and Prnjavor with a 155-mm howitzer and tanks from Brijznje. Three people were slightly wounded. Material damage is substantial. There was no peace on the Doboj front either."

An unidentified correspondent from the 1st Olovo Glorious Hill Brigade reports that the "aggressor shelled the Lika region with 120-mm mortars from the direction of (?Dugajdzici), Gornje Krusevo, and Hrapovaca." He also says that "using mortars, the aggressor shelled from the same strongholds the settlements of (?Batrici), [word indistinct] and the town of Olovo. There were no casualties."

Reporting from the Tesanj front, Mirudin Aldobasic says that "members of the Bosnia-Herzegovina Army in this region were forced to respond fiercely to the enemy, who intensified shelling of the Doboj-Tesanj road in particular this afternoon. There were no casualties, but material damage is fairly substantial."

According to the studio announcer, "in contrast to the past few days, enemy attacks in the 4th Corps theater of operations were somewhat less intense. This does not mean that the Serbian aggressor was not engaged in combat. Around Bijelo Polje, the chetniks carried out an attack with chemical agents. Fortunately, the attack was perpetrated without serious consequences."

Bihac correspondent Mirza Sadikovic reports that "despite bad weather, the Serbian-Montenegrin aggressor has continued artillery-infantry attacks on the free territories of the Bihac region. The attacks were particularly intense on the Grmusko-Srbljanski plateau this afternoon, where chetniks used B-1 hill guns and mortars of every caliber."

According to the studio announcer "in the 1st Corps theater of operations, the aggressor provoked our defense lines from the direction of the Forestry Science Schools and Bajrina Kuca. The enemy also fired [words indistinct] on the rail bridge from the Health Center."

Serbs Capture Strategic Positions Near Sarajevo

LD0410173094 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 4 Oct 94

[FBIS Translated Text] Members of the Srpska army last night managed to liberate new strategically important positions on the Nisic plateau, in the southwestern sector of the Sarajevo front, after having inflicted heavy losses in manpower and equipment on the Muslim forces, the information service of the Sarajevo-Romanija Corps announced this morning.

The Serb forces' counterstrike was preceded by several-hours-long Muslim artillery and infantry attacks along all the separation lines, which did not spare civilian targets behind Serb lines.

According to Serb military sources, the Muslim military command has shifted the spearhead of the offensive from Igman and Bjelasnica to the Nisic plateau in order to save its decimated units on these mountains from total defeat.

Only sporadic Muslim activities have been registered on other parts of the Sarajevo front. Most of their infantry fire is coming from Butmir and is directed at the Luzani section of Ilidza.

Presidency Pardons Facilitate Prisoner Exchange

AU0410192194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 4 Oct 94

[FBIS Translated Text] The Presidency of the Republic of Bosnia-Herzegovina today made a decision to pardon a number of prisoners. This decision was made in order to help the realization of the exchange of some 400 persons on both sides that was recently agreed during the negotiations with the Serbian aggressor side at Sarajevo airport.

5th Corps, Serb Forces Agree on POW Exchange

AU0410191694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 4 Oct 94

[FBIS Translated Excerpt] In the latest offensive in the Bihac region, the aggressor increasingly often carried out attacks from the UNPA's [UN Protected Areas] in the

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so-called SAO [Serbian Autonomous Region] Krajina. Talks between the commands of the Bosnian Army 5th Corps and the so-called 6th Banija Corps were organized through the French UNPROFOR [UN Protection Forces]. An agreement has been reached on the end of chetnik attacks from these regions, the exchange of prisoners and dead bodies, and moving persons more seriously ill through the UNPA for medical treatment abroad. Here is what Mirsad (?Crmanovic), chief of the 5th Corps' General Staff, said about progress toward realization of this agreement:

[(?Crmanovic)] The agreement that has been reached on these issues has already been partially realized and is still being realized. It has been agreed that the area between the lines be searched so that the Banija Corps representatives, whom I shall call paramilitary since no one recognizes them, can collect their dead who remained after the recent fighting. We have no reason to look beyond these lines, because we did not go there. [sentence as heard] Our lines are here, in fact.

This will be accomplished in the course of the next few days, through the mediation of the UNPROFOR Sector North Command. This will also be dealt at the level of commissions for exchanges. They will work on it together, naturally. Of course, they will take into account all the minefields and so forth. [passage omitted]

Ethnic Cleansing 'Legalized'

94BA0417A Maribor VECER in Slovene 13 Sep 94 p 6

[Article by Jadranka Kronja: "'Ethnic Cleansing' Agreement"]

[FBIS Translated Text] News reports are coming from the area of Bosnia-Herzegovina again about how ethnic cleansing has obviously been legalized, outside the framework of civilized conduct and behavior. The news which has just arrived indicates that representatives of the government of the Bosnian Serbs and the government of Herceg-Bosna have agreed on the "free resettlement of members of both peoples" to their national areas. That agreement is supposed to have been adopted in accordance with their mutual wishes.

According to Prof. Branko Djokic, a representative of the Bosnian Serb government, this also includes the unhindered exchange of real estate and the right to the unrestricted transfer of property, which is supposed to be done temporarily at the Celebic border crossing on Livanjsko Polje.

It has also been agreed that they will allow the mutual exchange of documentation that the members of both nationalities need to regulate property rights and rights resulting from employment, education, health insurance, and so forth.

Those interested in such an "exchange" have to apply to the proper authorities in Livno and Mostar; the Croats who live on the Bosnian Serbs' territory have to do so at the refugee office in Banja Luka.

Methods of Ethnic Cleansing in Bijeljina

94BA0410B Belgrade VREME in Serbo-Croatian 12 Sep 94 pp 18, 19

[Article by Filip Svarm: "To Djurkovic, a Young Major"—first paragraph is VREME introduction]

[FBIS Transliterated Text] *Who is Major Vojkan, who perceives himself as a "humanitarian worker"?*

Vojkan Djurkovic is officially chairman of the Commission for the Exchange of Civilian and Military Prisoners of the Srpska republic [RS] for Semberija, which is headquartered in Bijeljina; his office is in the Trade Center, across from the bus station. He is not a member of the RS army [VRS], and does not have any rank in it.

Unofficially, he is talked about as the main organizer of the forced emigration and mistreatment (ethnic cleansing) of Muslims from that area, and thanks to the plundering of their property, one of the richest people in Bijeljina. Otherwise, he perceives himself as a "humanitarian worker."

This information was obtained from the Humanitarian Law Foundation in Belgrade; on the basis of the information that this organization has gathered in the field, in July 1994, and talks with refugees and expelled persons, Djurkovic's commission works as follows: In the dead of night, two or three armed and uniformed people break into Muslim houses in Bijeljina and Janja, presenting themselves as Military Police or National Security. Then they pull out their lists and announce that the family has to emigrate or the men will be assigned to forced labor. In the first case, those who are ordered to leave their homes would simply be stuffed into buses (160 people were expelled on 16 July), taken to the front lines near Tuzla, released across them—and whoever arrived, arrived. The Humanitarian Law Foundation has testimony claiming that Djurkovic personally escorted those buses in his white Mercedes.

Leap of the "Panther"

If they were taken for forced labor, however, the procedure was considerably more complicated. Although both old and young men are "bought," without exception, the primary criterion is financial status. It all starts at the elementary school in the village of Hase. The Muslims are gathered there and interrogated about whether they own shops, real estate, cash, and so forth. If the interrogators are not satisfied with the answers, they use beatings and other forms of coercion. The case of a 70-year-old man who was forced to stand against a wall with his arms raised for hours is known. Personal items are also confiscated (money, the better articles of clothing), down to wedding rings.

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Who does all of that? According to the information of the Humanitarian Law Foundation, it is the "Panthers" of Major Ljubisa Mauzer, mostly refugees from Tuzla and Zenica, who are involved in all of it more or less on their own account.

After the "treatment" in Hase, those assigned to forced labor are transferred in trucks (and not allowed to sit down during the trip) to the village of Lopare, 28 kilometers from Bijeljina, where they are distributed to farms or to the front lines to dig trenches. The witnesses cited by the Humanitarian Law Foundation emphasize that the mistreatment stops then: The VRS commanders forbid searches and physical abuse.

One shift of forced labor lasts from 20 to 30 days, but it is not certain whether the workers will be returned to their homes. Instead, they may be expelled to Tuzla. In any case, Djurkovic appears halfway through the shift with a list for the return. As the witnesses testify, the list includes only those in whose property he is personally interested. Thus, from a group of 75 Muslims, 30 of them were separated out on 12 August and taken to the Hunters' House of Rodoljub Colakovic. There, Djurkovic forced them or members of their families to agree to a transfer of property (houses, cafes, and so forth), which lawyers who were refugees from Zenica or Tuzla notarized for him. It has been learned that the lowest amount that he received for a "release" was 2,000 German marks [DM]. All those who thus "ceded" part of their property can count on safety for the next month, until the "Military Police" break in again. When they are left without anything, they are deported.

"European Green"

After the publication of the report by the Humanitarian Law Foundation on the expulsion of Muslims from Bijeljina and Janja, "Major" Djurkovic, in the company of RS assembly deputy Teslic, appeared at the Foundation's offices to protest the characterization of this as ethnic cleansing. On that occasion, he did not deny for a single moment that money, personal effects, and property were taken away from the Muslims, explaining that it was all Serbian and that he could not allow it to be taken to the "Jamahiriya." He commented that he saw all his work as assistance to people, i.e., transferring them to where things would be better for them, and explained that it was clear to everyone that Semberija was not a Muslim land: Their land was somewhere else. With respect to the published data on deportations, he claimed that they could not be taken away without their consent. In conclusion, he commented that "There were tones of a European green color" in the offices of the Humanitarian Law Foundation, and that its members "did not care about Serbian interests," and that he was a humanitarian fighter into whose hands people simply stuffed money, even though he never asked for it.

It can be concluded from all of this that "Major" Vojkan Djurkovic is behind the organized expulsion of Muslims from Semberija. Who is behind him, however?

The investigations of the Humanitarian Law Foundation indicate that the leaders of the Serbian Democratic Party in Bijeljina think that what is involved is the fulfillment of orders from Pale which are aimed at forcing Muslims to leave that area through the systematic deterioration of their living conditions. It is estimated that there are still about 5,000 of them living there (Bijeljina and Janja). Many of them, however, are buying falsified Serbian ID's (the price: DM500), and are quietly going abroad through the Federal Republic of Yugoslavia, without being observed by anyone.

[Box, p 19]

Cele, Zuca, Azdaja...

In the spring of 1992, upon the entry of the Yugoslav People's Army into devastated Visegrad, units of the Uzice Corps, in cooperation with various paramilitary units, mostly looters, found in the completely undefended city only infirm old men and women—the Muslims who could not escape on foot. In spite of the efforts by some officers to prevent massacres, the members of various unidentified and armed paramilitary units slaughtered many Muslims, regardless of age and illness. Nevertheless, from the neighboring Muslim villages along the left bank of the Drina, in which many Muslims were also killed, the army sent most of them in long columns toward Gorazde, with little children in their arms and a few bundles. Their houses, livestock, and everything that was at all valuable was looted in record time. Even windows, doors, door and window frames...

In Zvornik and the surrounding area, it was even worse. In May 1992 that area was pillaged by terrifying hordes: Cele's patriots, Peja-Ciganin's people, Lainovic's guard, Bokan's White Eagles, Zuca's platoon, the Intervention Platoon, Azdaja's people, special units of the republic of Serbian Krajina, the Platoon for Quiet Liquidations.... Every last one a murderer, as if they all had one mission: to liquidate everything that was not Serbian. Those few Serbs are silent about those slaughters in the Muslim villages. The devastated Muslim villages of Redzici, Lonjin, Krasanpolje, Rzine, Dzafici, and so forth, were burnt. Even today the RS authorities do not allow the curious to have a look at those areas. It is unofficially believed that one of the biggest massacres of Muslims in Bosnia and Herzegovina was carried out that spring. It is hard to believe, in view of the synchronization, that ethnic cleansing (and looting, by the way) was not the primary mission of the paramilitary force obtained from somewhere.

The surviving witnesses talk about a certain Dusan Vuckovic, allegedly a member of the group called "Yellow Ants." "He murdered innocent civilians in numerous camps in Zvornik and the neighboring villages. He checked people's identities by taking off their underpants. He and his pals killed 720 civilians in Karakaj and Pilica in just two days... On Kurban Bajram, on 10 June, he entered the Celepek Cultural

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Center in the company of Major Toro and Captain Zoran. They left us at dawn, leaving dead Alija and Hasan Atlic, Saban Bikic and the minor Damir, Nurija Hadziavdic, Salih and Husein, Sakib Kapidzic, Himza Kursumovic, Zaim Pezerovic, and Aziz Tuhcic.... A total of 11 people were killed with knives, wooden sticks, and rods...." Dusan Vuckovic, who is also accused of war crimes, is awaiting trial at the Sabac district court.

Commentator Views Unfolding Federation

AU0410173194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 4 Oct 94

[Commentary by Omer Hodzic]

[FBIS Translated Text] If one ignores the obstinacy of some individuals, local leaders, and commanders, as well as incidents that have happened and will continue to happen, the realization of the federation of the Bosniaks and Croats is becoming more and more a reality, day by day.

Following the signing of the Washington Agreement, common armed clashes (?have stopped), roads have been reopened, convoys are passing through and arriving in territories with a majority Bosniak and Croat presence. The federal, collective police have begun to control traffic on the Doljani-Tesanj road. The state border (?crossing) has been opened and is also controlled by the federal police. Joint military commands and command headquarters have also been set up. The Federation government has been elected and the Tuzla-Podrinje Canton has been created. This process is under way in other regions. Much has been accomplished in a short period of time, especially when it is remembered that before there was fighting and killing in some areas, and that the joint enemy, the Serbian aggressor, was happy about it.

(?This is no longer the case). Abdic's parastate has (?collapsed) and the so-called Herceg-Bosna [words indistinct] until the Federation is fully set up, when it, too, will disappear. This will dash to the ground the aggressor's idea of creating parastates with the aim of dissolving the state tissue of Bosnia-Herzegovina. The Serbian aggressor has become increasingly nervous and is working very hard to spread disinformation as part of its propaganda campaign to destabilize our state, Bosnia-Herzegovina. What do they actually want to achieve?

They want the Federation and the cohabitation agreement of these two peoples to collapse; they want to provoke new clashes. In this way they want to divert attention from their aggression and combat activities, the conquest of territories with force, persecution, and genocide. They want people to talk about a civil and religious war, because, according to their (?logic), this kind of war would involve three sides.

However angry and dissatisfied we might be with the international community, it has nevertheless been holding the Serbian-Montenegrin aggressor mainly culpable for the war over the last two and half years. It has set up a war crimes tribunal and recently sent observers to the border with Serbia and Montenegro. The unrecognized Pale regime is gradually becoming isolated.

This is why the aggressor wants the Federation to fail, whose constitution and establishment guarantee full equality and satisfy all national interests. In practice, the territorial cantonal organization and strong self-autonomy facilitate political and economic rights, the right to education, culture, language, religion, information, and other rights.

(?This model) also offers a chance to the third constituent people, the Serbs, but not to their criminal (?joint) leadership and those who have committed (?crimes).

The Croats have realized that, without a federation, the Croatian people would have authority only in some regions of Bosnia-Herzegovina. The Serbs still do not understand that the idea of all Serbs in one state is unrealistic since foreign observers have been posted on the border between Serbia and Montenegro, on the one hand, and Bosnia-Herzegovina, on the other. The mutual recognition of all newly emerged states on the territory of the former Yugoslavia is also in sight.

A struggle for power, [word indistinct], and popularity among the Serbs has begun. As stated by a prominent Serbian writer, Mirko Kovac, when it comes the nationalist game, Milosevic is the best player of the lot. He made a political [word indistinct] of the father of the nation, Dobrica Cosic. He made him out to be the most ridiculous president in Serbian history. Later on, he nonchalantly dropped (?Babic), Seselj, and others. It appears that those from the so-called Srpska republic are next in line, because the vozd [leader—a nickname used for Milosevic] now thinks that he can have a more stable state without them, without international sanctions, a state in which he would be the indisputable [word indistinct]. This is why he is so skillfully shifting all war crimes responsibility on them.

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Granic Protests Slovene Annexation of Villages

LD0410194694 Zagreb HTV Television in Serbo-Croatian 1830 GMT 4 Oct 94

[FBIS Translated Text] Croatian Foreign Minister Mate Granic has said the following about a truly surprising decision made by the Slovene parliament:

[Begin Granic recording] The Slovene parliament's decision to annex three villages to the municipality of Piran is a unilateral act with territorial pretensions on the Republic of Croatia. This is the second unilateral act that encroaches deeply on Croatian-Slovene relations, which brings into question all our previous negotiations.

Both the Croatian Government and the Croatian Assembly are going to discuss it, but it is completely certain that Croatia is considering international arbitration as the only possible way to solve the problem with Slovenia. We intend to inform both the European Union and the Council of Europe about it. [end recording]

Summons Slovene Envoy

LD0510120394 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 5 Oct 94

[FBIS Translated Text] Croatian Foreign Minister Mate Granic summoned Matija Malesic, ambassador of the Republic of Slovenia to Zagreb, today to lodge a sharp protest over the Slovene parliament's decision to pass a bill on local self-government, under which four Croatian villages south of the Dragonja [River] are a part of the Slovene municipality of Piran. Minister Granic warned Ambassador Malesic that this is a unilateral act which threatens all previous efforts to develop good relations.

UN: Croatian Forces Not Leaving Turanj Zone

LD0410210794 Belgrade TANJUG in English 1836 GMT 4 Oct 94

[FBIS Transcribed Text] Knin, 4 Oct (TANJUG)—United Nations Protection Forces [UNPROFOR] spokesman Alun Roberts said Tuesday that Croatian forces had failed to withdraw from the separation zone in Turanj and the U.N. checkpoint in Lipik.

Speaking at a regular press conference in Knin, Roberts said the deployment of Croatian police and paramilitary in the separation zone in Turanj near Karlovac was a violation of the cease-fire agreement signed between Croatia and Serb Krajina in Zagreb in April. He said Croatian police and paramilitary had been deployed in Turanj under the pretext of preventing Muslim refugees from Northwestern Bosnia from entering Croatia.

The Zagreb agreement entitles Croatia to deploy 75 policemen in each separation zone provided that it has first made arrangements with UNPROFOR. Serb Krajina sources said about 300-strong Croatian troops and police entered Turanj, 50 km south of Zagreb, ten days ago.

Muslim refugees who support moderate Muslim leader Fikret Abdic found shelter in Turanj in August after the troops of their autonomous province of West Bosnia had been defeated by the Sarajevo Muslim government army.

Roberts said UNPROFOR was still negotiating with Croatia the withdrawal of Croatian troops from Turanj. UNPROFOR has made it clear to Croatian authorities that U.N. peacekeepers are capable of controlling the situation in the separation zone, he said.

Roberts said the Croatian Army had grossly violated the Zagreb agreement also in the area of Lipik, about 100 km east of Zagreb, seizing a checkpoint that had previously been abandoned by the Jordanian peacekeeping battalion. Describing the situation as conflicting, Roberts said UNPROFOR demanded that the checkpoint be placed under its control again.

Serbs in the former Yugoslav Republic of Croatia proclaimed the independent republic of Serb Krajina in 1991, after Croatia seceded from the former Yugoslav Federation and erased Serb national rights from the Croatian Constitution.

Roberts said the situation in the Muslim refugee camps at Turanj and Batonog after Saturday's [1 October] incident was delicate and serious. The unrest in the camps was triggered by an attempt to distribute leaflets calling on refugees to return to northwestern Bosnia. Roberts said the leaflets were distributed by the U.N. High Commissioner for Refugees personnel and a number of refugees. He, however, failed to confirm the information carried by some media that U.N. peacekeepers fired in the air and even wounded a number of refugees during the unrest. Roberts said there were no reports on U.N. peacekeepers opening fire at refugees.

Serbs Protest UNPROFOR Withdrawal From Lipik

LD0510002194 Belgrade TANJUG in English 2249 GMT 4 Oct 94

[FBIS Transcribed Text] Okucani, Oct. 4 (TANJUG)—The Serb Krajina army command for West Slavonija Tuesday protested because Jordanian UNPROFOR [UN Protection Forces] troops pulled out of U.N.-controlled Lipik, about 70 km east of Zagreb. The Jordanian troops withdrew Monday afternoon after Croatian police threatened to open fire at them. After the Jordanian troops withdrew, Croatian forces advanced another 150 m into the territory of Serb Krajina.

The United Nations Protection Forces (UNPROFOR) in the area of Lipik first encountered problems with the Croats on Sunday. Thirty Croatian policemen and 60 civilians that day prevented the Jordanian troops from setting up roadblocks and pushing Croatian troops back across the Pakra River in order to establish a line of demarcation between the two sides.

The republic of Serb Krajina was formed 3 years ago by Serbs in their ethnic lands in former Croatia in answer to

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Croatia's armed secession from the former Yugoslav Federation. Krajina has been under U.N.-protection since March 1992.

The Serb Krajina army command for West Slavonija said in the letter to the UNPROFOR commands in Zagreb and the U.N.-protected area based in Daruvar that such actions by UNPROFOR had enabled Croatian troops to penetrate into Krajina territory yet again. The letter urged UNPROFOR to force the Croatian troops to withdraw. It warned that Serb Krajina troops would have to prevent any further advance by the Croatian forces.

Croatian troops are refusing to hand over their checkpoint near Lipik to UNPROFOR and withdraw 1 km inside their territory, as envisaged by an agreement signed between Croatia and Serb Krajina in Zagreb this spring. Serbs have already complied with the agreement and withdrawn their troops. UNPROFOR has been trying to resolve this problem for over a month.

Envoy Issues Protest on UNSC Resolution 943

LD0410215794 Zagreb HTV Television in Serbo-Croatian 1830 GMT 4 Oct 94

[FBIS Translated Text] Mario Nobilo, Croatian ambassador to the United Nations, today sent a sharply worded letter to the UN Security Council [UNSC] chairman in reaction to the report submitted by the cochairmen of the conference on former Yugoslavia on the implementation of UNSC Resolution 943. The resolution envisages a partial suspension of the sanctions against the Federal Republic of Yugoslavia. Here are some excerpts from the letter:

The Republic of Croatia is shocked by Paragraph 3 of the above-mentioned report. In connection with Croatia-bound transit traffic, the co-chairmen claim that agreements had been concluded on customs documents and the sealing of freight vehicles so as to reduce the risk of goods being siphoned off to the Bosnian Serbs.

My government holds that this constitutes a flagrant violation of UNSC Resolution 821, which, among other things, prescribes that imports, exports, and transit through the UNPA [UN Protected Areas] in the Republic of Croatia and the Serb-controlled areas of Bosnia-Herzegovina—with the exception of basic humanitarian shipments containing medicines and food distributed by international humanitarian organizations—may be permitted only with relevant authorizations issued by the governments of Croatia and Bosnia-Herzegovina.

Shipments monitored by the mission, designated in the report as Croatia-bound transit, do not have the necessary Croatian Government authorization to be imported into the territory of Croatia.

Furthermore, the government of Bosnia-Herzegovina has informed us that it has not issued relevant authorizations for the transit of goods through territories controlled by the Bosnian Serbs.

This biased and illegal action on the part of the international conference on former Yugoslavia does not contribute to the overall peace process and stability in the region. This action will not make any easier the Croatian assembly debate on the UN's presence in Croatia, scheduled to take place in 100 days.

Interior Minister Meets UN War Crimes Delegation

LD0410115294 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 4 Oct 94

[FBIS Translated Text] Croatian Interior Minister Ivan Jarnjak held a meeting in Zagreb this morning with a delegation of the international war crimes tribunal for former Yugoslavia, headed by Chief Prosecutor Richard Goldstone. It was agreed that Croatia should appoint a liason officer who will communicate with the war crimes tribunal.

The methodology of cooperation with the office of The Hague court prosecutor was agreed during the initial round of talks, Minister Jarnjak said after the meeting. He stressed that the ministry already has a war crimes department and that many reports have already been compiled. Minister Jarnjak said that some of the reports will be placed at the disposal of The Hague tribunal. The tribunal's delegation will also visit Belgrade and Sarajevo.

RSK Leader Calls For Equal Treatment by UNSC

LD0410174494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1700 GMT 4 Oct 94

[FBIS Translated Text] Belgrade, 4 Oct (TANJUG)—In a letter sent to UN Security Council Chairman David Hannay, Milan Martic, president of the republic of Serb Krajina [RSK], expressed his profound disagreement with the attitude of the UN Security Council [UNSC], which failed to allow the RSK to participate in the resolution of disputes with the Republic of Croatia before UN bodies, which is in contravention of Chapter 6 of the UN Charter that also guarantees this right to internationally unrecognized states, ISKRA has announced.

Such a situation, Martic goes on to explain, has been used by the Republic of Croatia, which has been describing the Serb-Croatian war and its consequences in a completely wrong way, keeping silent about the problem of hundreds of thousands of Serbs who have been evicted by state terror from Croatian-controlled territory.

Do not allow, the RSK president appeals, only one side to furnish you with reports on the resolution of the dispute between the RSK and the Republic of Croatia.

I hope, Martic says in conclusion, that you will distribute this letter as an official Security Council document.

Croatian Democratic Peasants' Party Viewed

AU0410161094 Zagreb VECERNJI LIST in Serbo-Croatian 19 Sep 94 p 4

[Report by I. Bralic: "Create a Powerful Party With Radic-Type Policies"]

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[FBIS Translated Text] Zagreb—A meeting to establish the HDSS [Croatian Democratic Peasants' Party] was held in the Brijuni Hall of the Zagreb Fair yesterday [18 September]. Approximately 100 party members and supporters from Zagreb, Kasina, Velika Gorica, Varazdin, Osijek, Djakovo, and other Croatian towns attended the meeting. It was proclaimed at the meeting that the HDSS was merging with the HDSP [Croatian Democratic Rights Party].

Ante Babic said: "It has been our aim from the very beginning to create a powerful party organized in Radic's manner. We did not want to split the HSS [Croatian Peasants' Party] because it is affiliated to us and we want to cooperate with its members. We shall start by waiting for an invitation by the—hopefully farsighted—HSS leadership from today, hoping that we will receive it in the near future, in order to sit down at the table and solve the problems that occasioned the foundation of this new party with Radic-type policies." [Stjepan Radic was a pre-World War II politician]

"The HDSS will fully support all negotiating efforts made by the Croatian leadership in order to enable the refugees from the temporarily occupied Croatian areas to return to their homes and be reintegrated peacefully.

"Through the merger of the HDSP and the HDSS, which will hopefully be joined by the HSS and other parties in the future, we want to point out that the cause of the current political instability cannot and must not be sought exclusively in the ruling party, but to a large extent also in the problem that there are too many parties in Croatia. One of the main tasks of the HDSS will for this reason be to find an efficient way to reduce the number of political parties in Croatia.

"The HDSS will be a party of the political center and will oppose any kind of extremism. In its program the HDSS will ask for a change in the UN Protection Forces' mandate and for a deployment of international powers, principally NATO, along the internationally recognized borders between Croatia and Serbia, and between Croatia and Bosnia-Herzegovina in the areas occupied by the Bosnian Serbs," Babic said.

Kresimir Pavelic, the earlier chairman of the HDSP, said that he believed that the new party would achieve the aims for which Radic and Starcevic fought.

The HDSS founding meeting was welcomed by Hrvoje Sosic, the chairman of the Croatian Party, Nikola Stedul, the chairman of the Croatian Nation-Building Movement, Mato Cavar, the chairman of the Croatian National Movement, Marjan Lemic, a member of the Croatian Social Liberal Party Executive Committee, and others. Tomislav Mercep sent a greeting telegram on behalf of the Association of Volunteers in the War for the Homeland.

Ante Babic was elected chairman of the HDSS, and Kresimir Pavelic, Petar Gudelj, Ivan Matijevic, Ivan Martan, Stanko Djurdjek and Ivan Tomic vice-chairmen.

Ambassador to B-H Discusses Federation's Future

AU0410203094 Zagreb VECERNJI LIST in Serbo-Croatian 26 Sep 94 p 7

[Interview with Ambassador to Bosnia-Herzegovina Zdravko Sancevic by Drago Migic; place and date not given: "Only the Federation Can Get Weapons"—first paragraph is VECERNJ LIST introduction]

[FBIS Translated Text] Certain difficulties have arisen over the possibility of acquiring weapons: For instance, there are great expectations, especially on the part of the Bosniak-Muslim side, that with the lifting of the arms embargo the Bosnia-Herzegovina Army will get the weapons. However, according to the Washington Agreements and with the establishment of the Federation of Bosnia- Herzegovina, any lifting of the arms embargo imposed on anti-Serbian forces in Bosnia-Herzegovina would go exclusively through the federation. In other words, not only one of them would get weapons, said Dr. Zdravko Sancevic, ambassador of the Republic of Croatia to Bosnia-Herzegovina, in an interview with VECERNJI LIST. Only the federation can get weapons, continued Dr. Sancevic, because we are well aware that the United States, Germany, and many other forces are in a way its guarantors, and that it is in their interest that the territory of the federation be liberated and defended.

[Migic] The establishment of the Bosnia-Herzegovina Federation started with the Washington Agreements. However, in these initial stages, is there also a kind of parallelism with the federation in relation to the Croatian republic of Herceg-Bosna and the Republic of Bosnia-Herzegovina, since these two state bodies should merge to establish the federation?

[Sancevic] The plan is that the two bodies slowly turn into the federation as it is built up. However, this is not easy, as there are significant differences in the territories controlled by the Bosnia-Herzegovina Army and the HVO [Croatian Defense Council]. These differences not only lie in the state organization, as during a certain period both bodies developed independently, but there is also a great difference in the standard of living. There are also differences in the state and military organization.

Salary: A Package of Food

[Migic] You have mentioned that one of the problems was the difference in the standard of living. What did you have in mind specifically?

[Sancevic] It means that Herceg-Bosna was constantly open to Croatia, and that the inflow of goods was much greater. Moreover, the established state organization made sure that it provided money for its needs through collecting customs duties, taxes, and so on. That means that there is a normal system of salaries, so to speak. However, in the Republic of Bosnia-Herzegovina, considering the isolation of the territories controlled by the Bosnia-Herzegovina Army, conditions were such that the authorities could not be organized to a sufficient degree. What I mean is that the

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taxes, duties, and the like could not be collected, and so employees were not able to get any income. In these areas food thus became a means of payment in a way! Before establishing the federation it is therefore necessary to establish a balance in the area, because otherwise there will be migrations from those areas with lower standards to those with higher standards.

[Migic] It has recently been decided in Sarajevo that pensioners would receive 50 German marks in aid. How much are the employed getting?

[Sancevic] This decision has not become effective. These are only wishes. And as far as salaries are concerned, there have been no payments. Unfortunately, the people are not receiving any salaries or pensions, at least none of it in money. As I said, the means of payment are several kg of flour, some oil, and some other food.

[Migic] The payments are literally made in food?

[Sancevic] That is correct. That is, in the territory under the control of the Bosnia-Herzegovina Army.

[Migic] There were some coupons earlier, were there not?

[Sancevic] No, there were no coupons. If some people are getting them, they are so few that they cannot do anything with them. The only currency with which you can buy anything is the German mark; nothing else works. However, the situation is quite different in HVO-controlled territory.

The Presidential Guard

[Migic] The federation has been founded, and it has its Constitution, a Constitutional Assembly, and the government, which is jointly the Government of the Republic of Bosnia-Herzegovina and the Croatian republic of Herceg-Bosna, as well as the government of the federation. What are the current difficulties in building the federation?

[Sancevic] At present it is extremely important that communications are established as soon as possible—roads, railroads, and mail services. They would contribute to a faster and easier removal of the economic differences between the two parts of the federation. There is also the problem of military coordination. Until the recent talks in Zagreb, there was only a joint headquarters. Since the Split Agreement it has mainly been a question of making sure that the cease-fire is maintained between the HVO and the Bosnia-Herzegovina Army. However, no major progress has been made, as the headquarters did not have the power to command. Now it has been agreed that the joint headquarters will also have the command capacity, that is, that it will be the federal headquarters that will be able to issue orders. This would be the beginning of coordination and creating the conditions for joint defense actions of the HVO and the Bosnia-Herzegovina Army. However, the HVO and the Bosnia-Herzegovina Army must remain separate until a further stage, which is connected to the establishment and progress in organizing the federation. As long as there is duality within the federation, there will also be dual military forces, only they will be under joint command and they will be coordinated.

[Migic] Can the forming of the Presidential Guard be viewed in that context? Does this signify the beginning of the establishment of joint armed forces?

[Sancevic] The Presidential Guard is supposed to be the first model for joint Croatian and Bosniak-Muslim units. It is to guard, for example, the federation president.

[Migic] Will it be an elite unit?

[Sancevic] Yes, it will be an elite unit that will finally test in practice how the joint forces will function. Since it is supposed to be a federal unit, the dilemmas concerning the symbol would be resolved here.

The Lilies [Bosnia-Herzegovina heraldic device] and the Croatian Coat of Arms

In accordance with the Constitution, the symbols of the federation must include two components: One is Croatian and the other Bosniak-Muslim. One of the proposals for the federation's coat of arms is that it retains the present shape of the Republic of Bosnia-Herzegovina's coat of arms, in which the lilies would be in one part, while the other part would contain the red and white checkerboard of the Croatian coat of arms.

[Migic] Speaking of the military aspects, could you tell us what will happen with the HVO King Tvrtko Brigade in Sarajevo, which has been dissolved? The events concerning this brigade were at one time the subject of great public attention.

[Sancevic] The brigade has not been dissolved. It was disarmed and incorporated into the Bosnia-Herzegovina Army as a special unit. During this disarming, some soldiers and officers dropped out. Now the Bosnia-Herzegovina Army is trying to reestablish the unit under their direct control. However, there are great problems for the simple reason that the newly recruited soldiers in this unit have no military experience, and the Bosnia-Herzegovina Army alone cannot provide the military standard that the unit had while it was part of the HVO. The problem of this unit has not been resolved yet, but we should hope that the federal headquarters will deal with it. The most important thing is certainly that the unit has weapons and uniforms, but it is also necessary for it to have its insignia to motivate the soldiers in what they are fighting for.

[Migic] The deadlines set for the establishment of the federation are approaching. What will be the developments in the next stage?

[Sancevic] They have a major job ahead of them, which is to pass new legislation and do everything that has not yet been dealt with. There will have to be discussions of symbols and of bilateral agreements between Croatia and the federation, which, in other words, marks the beginning of the confederation.

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[Box, p 7]

About Krsto Cviic

Whenever I go to Zagreb from Sarajevo, I am surprised that there are still a certain number of people who attack or have a negative approach to anything positive that is done in Bosnia-Herzegovina, said ambassador Sancevic. I was very surprised by an article by a Mr. Krsto Cviic, a journalist based in London, who claims that the confederation is a bad solution. This is another attack on everything that we see as the only good solution. In other words, Mr. Krsto Cviic and many other people attack everything positive that has been resolved and accomplished through the Washington Agreements, but they neither have any other solutions, nor are they able to make any concrete proposals.

Moreover, it is evident from their statements that, even though they may be authorities on certain matters, they have absolutely no idea about what Bosnia-Herzegovina is and how complex it is, and they thus oversimplify things. I would even go as far as to say that they are using the black-and-white technique to decide what is bad, without offering any specific solutions.

It seems that these people who live abroad and are not in direct contact with Bosnia-Herzegovina are having a difficult time ridding themselves of certain phrases and ideas, such as Croats and Serbs dividing Bosnia. This is now just a cliche.

Deputy Prime Minister on Economic Issues

AU0410161894 Zagreb DANAS in Serbo-Croatian 20 Sep 94 pp 22, 23, 25

[Interview with Deputy Prime Minister Borislav Skegro by Marko Franjic; place and date not given: "We Are Not Avoiding Negotiations with the Union"—first paragraph is DANAS introduction]

[FBIS Translated Text] Borislav Skegro, deputy prime minister in charge of the economy, is one of the key people in implementing the stabilization program. The reorganization of the government, the letter of intent to the IMF, changes in the public companies, and privatization are only some of the currently most important economic issues we discussed with Deputy Prime Minister Skegro.

[Franjic] What are the intentions behind the government reorganization?

[Skegro] The government reorganization is the expression of our experience and the desire to improve government efficiency as well as to prepare to respond to new questions, since changes occur there every day.

[Franjic] Opinions regarding the forming of the ministry for the strategy of development and restoration are already divided. Is the new ministry being founded because the state authorities are dissatisfied with the economic development?

[Skegro] You heard what President Tudjman said at the opening of Zagreb Fair. The authorities are satisfied with the economic development. It is precisely because we had political leadership and because we implemented the HDZ [Croatian Democratic Community] program that we have been able to achieve such results. The new ministry will not implement the economic issues in an operational way; its scope is much broader than the economic sector. The economy is only part of the development strategy; there are many other sectors that need to be developed. However, perhaps it would be better to wait for the proposal of the law to be put on the parliamentary agenda, which will define what the ministry will be doing.

[Franjic] How will the reorganization reflect on the costs of the state administration? Will the establishment of the state treasury make it easier to control administration expenses?

[Skegro] The scope of the work the state is facing has been determined. Whether it formally includes 15 or 20 ministries depends on the assessment of how the problems should be most efficiently resolved. You could formally reduce the number of ministries to only a few, but you might not have lower costs than if you have 25. The number of ministries you have is not a measure of costs. The state is as expensive as the demands, needs, and problems it faces are objective. Among the many measures for improving discipline in public finances are the Budget Law and the introduction of the state treasury. This involves making the state less expensive by managing the money in a better way, and acquiring better information on how much each of the sectors spends.

[Franjic] There have been reports that a privatization ministry will be established. Does the transformation process carried out so far fit into the stabilization program, or has each been developing separately? Are you satisfied with the privatization process?

[Skegro] When I view transformation and privatization from this perspective, it would be wrong to say that I am highly satisfied. However, when you take it in an objective context, when you look at statistics instead of impressions, which are often created on the basis of problematic cases, and taking into consideration the war, risk, years of economic recession that started in the late 1970's, and comparing ourselves with the countries of central and eastern Europe, then it could be said that our privatization can certainly be given a good grade. However, this does not mean that we are completely satisfied. This is precisely why we are going to propose a new privatization law, which must take the new realities into account. The new realities include the fact that the first stage of the transformation is over and the fact that Croatia is in a much more favorable political and economic position. This opens up new possibilities, but also imposes new needs. It is time that the Law on Transformation, which I must say is a good law and has been updated several times, be replaced by a new one, the basis of which will again be the existing law, but which will also have new elements.

[Franjic] What new elements will they be—the distribution of shares....?

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[Skegro] Naturally, the distribution of shares will be one of them—nobody has a patent on this, though it is often politicized. Part of the shares have already been distributed, and the process continues. We will certainly propose the distribution be organized differently. The main problem lies in the distribution, which should be resolved in such a way that the groups that should be given the shares, the first of which are the refugees, get something, and not "nothing." This is not a technical problem that is easy to solve; it is the essential problem of creating investment funds, the legislative framework that will enable these shares to retain a "decent" value. When shares are distributed, a person who receives shares has to feel certain that they have received something of value.

The entire privatization process cannot be viewed as separate from the overall economic and political situation in any country, including Croatia. You cannot separate privatization from restoration, equal distribution of the burden of war, denationalization, macroeconomic stability, and public debt and old foreign currency savings. It is all interconnected, and leaves virtually no space for the choice of this or that model. It is an entity.

[Franjic] Many people are dissatisfied with the way the privatization has been going, especially the selling of the state companies to the state banks, such as was the case with selling Nama [department store chain] to Privredna Banka. You also had a conflict with Mr. Milas at the session of the Fund Management Board?

[Skegro] I have had no conflicts with Mr. Milas. Different people have different views of certain things. These stories are the result of lack of information. Look at the number of companies whose shares have been sitting at the stock exchange for days, months. Nama has gone through the entire legal cycle in privatization. There were no offers. While a company waits for an owner, it stagnates. In late 1993 Nama's daily sales amounted to 350,000 kunas, and at present they are even six times as great. This happened only after the Nama shares were replaced by the old foreign currency savings. Prior to this, its employees did not receive their salaries for four or five months, and the shelves were as empty as during the most difficult days of shortages in the former system. If we speak of whether Nama was sold to someone it should not have been sold to, you know that Privredna Banka is state-owned, and the state property has therefore been preserved. Through the privatization of the bank, which is sure to happen, Nama will also be privatized, or maybe even earlier than that. I do not understand the people who would rather let everything fall apart than find a solution. While we are on the subject of the old foreign currency savings and the exchange of shares, however, I would like to say that there is a great misunderstanding here. People consider this to be a fictional thing, the "something for nothing" kind of imaginary creation. There are two sides to the old foreign currency savings. One of them is the public debt. It makes no difference to the budget if it has cash and meets its obligations toward the shareholders through the public debt, or if it decreases the public debt by exchanging the shares. People forget that 1995 starts in a few months, which is when the term for two public debt services through old foreign currency savings (10 percent of the 3.5 billion German marks [DM]) is due. This is about DM350 million. This item did not exist in either this year's or last year's budget. Where do we get that money? When the macroeconomic policy and the privatization model are formulated, you must take this into account. By extending the model of exchanging the shares for the old foreign currency savings, making possible the trade of shares below the nominal value, by chanelling most of the sales to the stock market, and by simplifying the modes of payment, we aim at lowering the public debt, but also at speeding up privatization.

[Franjic] Trading in shares on the stock exchange is slow. There is no law on shares. The sensationalist press has accused the state of having cheated over half a million small shareholders, because the value of the shares is low....

[Skegro] This is such an absurd thesis that it is best not to comment on it. This could be a perfidious ploy of those who want to get shares cheaply to stir up panic with the small shareholders. At the government session I appealed to the small shareholders to consider carefully whether they would sell the company shares. The value of many of those shares will increase in the conditions of economic growth.

[Franjic] Why have conditions not been created for the stock exchange to operate better?

[Skegro] There was no trade because of the limitation on trading shares below nominal value, and because there was no adequate legal framework to determine the regularities of share trading. The laws on shares and investment funds will soon be on the parliamentary agenda. When you add to this the possibility of trading shares below the nominal level, I am sure the stock exchange will liven up.

[Franjic] Why has it not been possible to trade shares below their nominal value? Will the people buying off shares at the nominal value complain if someone else can buy them from the Fund below the nominal value?

[Skegro] By these analogies, if the value of the shares on the stock exchange were to increase by, say, four times, I suppose that the workers should also be asked to buy them off at that price. Each transaction is an event in itself, and the share value changes daily. However, it is in our interest to have as many small shareholders as possible. The new law on privatization will also contain the proposal that the period for buying off shares be extended to 10 to 15 years, with the introduction of a moratorium on payment, so that a middle class of shareholders can be established.

[Franjic] There is an impression in the public that the government has been avoiding negotiations with the school unions, and that the strike was stopped through blackmail and threats.

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[Skegro] This is a completely wrong impression. The agreement contains the answers to all the questions. Why don't you publish it?

[Franjic] Dragutin Lesar of the SSSH [Association of Independent Trade Unions of Croatia] has issued a short comment on the letter of intent to the IMF; his main reproaches of the anticipated economic policy are restrictiveness, lack of measures to encourage investment, employment, and social policy.

[Skegro] I have not seen this comment. It is best to read the letter of intent, and if there is nothing there that Mr. Lesar allegedly reproaches the document for, then I am not sure we are talking about the same document. What is restrictive policy? We were told similar things throughout the past year. Let us look at the trend of the salaries, and then let the people judge if this policy is better than another policy that would lead to salary cuts. The union is worried about the increase of real salaries. It is contained in this program. The main aim of this program is the increase in production and the corresponding increase in salaries. We should abandon the adjectives "restrictive" or "flexible." What is important is a result that is favorable for all.

[Franjic] What is the ultimate aim of providing loans to the 19 large companies?

[Skegro] Behind the limiting of the loans there was no desire to decrease or impose limits, but to model and distribute the loan potential of the banks in order to create the space for small and "propulsive" companies. These 19 companies were selected in such a way that first the public companies were taken, and the second group are the great loan beneficiaries, among which some are profitable, and some unprofitable. These companies have not been written off nor are there any dangerous intentions. They are facing restructuring. There is not a single company that does not need restructuring. Abroad, companies permanently undergo the process because of competition and market changes.

[Franjic] Who was it that has prevented the banks from granting loans to the successful? Why should the government model that for them?

[Skegro] The government has not and will not issue orders as to whom the banks will grant loans to. In the former system, the banks entered grand arrangements, and their debtors became their partners. When someone owes you five kunas he is a debtor, but when he owes you 5 million kunas he is your partner. Unfortunately, this is a legacy of the past, and there are intertwined relations between banks and state companies, and it is not so simple that it could be resolved overnight. The program is aimed at introducing order into these relations and breaking the chain of illiquidity. One of the ways that will soon become operative is the differentiation of the company ownership of banks and taking loans from the same banks.

[Franjic] Ina has raised the issue of halting the supply of fuel to defense and agriculture users if they do not pay.

[Skegro] Uncollected debts are not something the government should be dealing with. It is the easiest thing to say: "Who will not give to this person or that," and, when someone does not pay, come to the government asking that we help them collect the debt. There is no other way but to stop providing the goods to those who do not pay, no matter how important they may be. Someone who has not paid his obligation has left others without pay. It is not the same to me, as deputy prime minister in charge of the economy, if someone who has done his job well does not receive his salary, or if it is the person who took the goods and did not pay.

[Franjic] There has been much talk about the restructuring of Ina.

[Skegro] There is no company in Croatia that is not entering the restructuring process. However, there is no need to panic, and the working materials should not be treated in such a way that it is believed someone will fire, for instance, 7,000 workers the next day, if that is what you had in mind. In every state company there is a surplus of labor in relation to the present production level. Those who enter the restructuring process first should consider themselves lucky. Ina, as the largest Croatian company, is part of the process.

[Franjic] The general manager of the Croatian Roads and the company management have been replaced because of bad debts. The press speculated on DM120 million, DM150 million, and even DM180 million.

[Skegro] The Croatian Roads had a high level of bad debts, and, what is worse, a high negative cash flow. It is common in that case that the management board and the people in charge make way for others, regardless of the degree of individual responsibility. However, no political background should be sought here.

[Franjic] The dilemma of whether the roads should be constructed using franchises or loans has been unresolved for a long time now.

[Skegro] It is a false dilemma. The infrastructure is what is crucial for Croatia, and so are the roads. The roads will be constructed out of three sources: budget funds, foreign loans, and franchises. Sometimes combination models will have to be used.

[Franjic] Ivan Milas has been attacking franchises and says that Croatia can construct roads only through other ways of collecting oil taxes.

[Skegro] He does not mean it quite that way. It would be ideal if we could construct roads from our own sources and increased oil taxes, but we cannot. We cannot wait 35 years to construct our roads. We will use our own resources to as great an extent as possible, but we must construct the priority roads as soon as possible.

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Liberal Party Leader Discusses Upcoming Election

AU0410130094 Skopje VECER in Macedonian 21 Sep 94 p 4

[Unattributed report on "Zoran Krstevski, member of the Liberal Party's leadership, answering questions by telephone": "Bank Savings in Hard Currency Should Be Returned to the Owners"]

[FBIS Translated Text] [VECER] Zoran Petrovski from Skopje asked why the Liberals had associated themselves with the Social Democrats in the previous government if we know that their position is between the leftists and rightists?

[Krstevski] Our political assessment is that in these parliamentary elections we must provide for an efficient government, which implies a concentration of political forces with similar or identical programs. Moreover, these elections represent a kind of test of the results that the SDS [Social Democratic Alliance], the LP [Liberal Party], and the SP [Socialist Party] have accomplished in the past by making a coalition in the Government of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia].

[VECER] Sonja Peovska from Skopje asked whether the LP has a long-term strategy for survival since, as she said, it has a small number of members and its rating has decreased compared with other parties.

[Krstevski] Unfortunately, I do not agree with your conclusion that our party has a low rating, because only the elections will show whether a subject has a rating or not. We do not trust quasi scientific public opinion surveys. It is a fact that the LP has its position in the republic. The party's influence can also be seen in the principles of liberalism that are interwoven in the legal and other projects, as well as in the government's decisions. We can see the image of the party by analyzing its membership and leadership. Above all, it consists of people who support political and economic change, successful and professional people, young people with the principles of liberalism that are necessary to make the changes and link Macedonia with the world.

[VECER] Petranka Stojanovska from Skopje asked: Your president Stojan Andov said on television that he does not want to be prime minister, while the opposite was published in the newspapers. What is the truth and will your party give the SDS the position of prime minister?

[Krstevski] I am not authorized by president Stojan Andov to give answers on his behalf regarding the position he is interested in. I can only say that the LP is headed by an outstanding politician and economist, a man that has had great influence on the democratization of Macedonian society, particularly in the process of parliamentary democracy, for the adoption of the Constitution, and for the international affirmation of the state.

The Opposition Does Not Have a Program

[VECER] Fehmi Aliu from Skopje put a direct question: If the LP wins the election, will it cut down the rights of the Albanians or will it give them more rights, and will this party form a coalition with the PDP [Party for Democratic Prosperity] and the NDP [People's Democratic Party]?

[Krstevski] The Constitutional order defines the freedoms and rights of the citizens, which implies that the rights of the minorities have been defined in a similar manner. It is in the interest of the Republic of Macedonia [to develop these rights as is done by the developed European countries. Regarding the second part of the question, the fact that the Alliance for Macedonia encompasses the LP, the SDS, and the SP, means that they act in coalition in gaining executive power. Whether they form it alone or together with others depends on the outcome of the elections.

[VECER] Ljupco Velkovski from Skopje asked Krstevski's opinion regarding the opposition parties' programs.

[Krstevski] Unfortunately, we have not seen a single program of the opposition parties, except some insults against certain personalities. I would very much like to see what these parties's programs will be, because in the processes of economic and political reforms and in the struggle for Macedonia's international position, these parties have demonstrated a negative stance.

[VECER] Vlado Donevski from Skopje asked: Do you know what will happen if the current opposition parties win the elections?

[Krstevski] We do have a certain knowledge about that. First, we would certainly congratulate them, because it would be the choice of Macedonia's citizens. Second, we would normally go into opposition. We would present whatever is in the Alliance for Macedonia program as a counterbalance to the ruling party's program. However, having experience of the present political constellation, I am not convinced the opposition has a program. This has been shown by the fact that so far it has not been able to find the forces to unite on a political base. That is why I do not think that it has any real chances of significant success in the elections.

Reforms in the Ministry of Interior

[VECER] Nevena Popovska from Skopje asked: It is a known fact that the LP insisted on taking responsibility for the Interior Ministry. If the coalition wins these elections, will you make true your previous intention?

[Krstevski] In the process of the construction of executive power we claimed that because of the aspect of democratic changes it is not right if a single political party is in charge of sectors that enable the state to impose itself—for instance, the sector for internal affairs, administration, and defense. We insisted on

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getting one of these ministries—not necessarily the Interior Ministry. Regarding the changes in this ministry, we offered a thorough concept that received large support, and a great part of our efforts were transformed into draft laws on the reorganization of the Interior Ministry. I believe that the present minister and also the future government will respect these processes.

[VECER] Ivanco Stojanov, dean of the Faculty for Security, asked about the LP's position on the future of that institution.

[Krstevski] At the time of its formation your faculty played its role in the education of specific personnel. Now that we are a state of 2 million people we do not know whether we still need such an institution. I think we must find a new solution that proceeds from the concept of the development of the university. We have considered your arguments and I believe this position is principled, because the university's independence must be a platform on which you yourselves find the solution for your institution.

[VECER] Risto Panov from Skopje asked why no action is being taken to create new employment?

[Krstevski] As far as unemployment is concerned, we must definitely give up all actions. A part of the problems of workers facing redundancy are a result of the actions taken in the past to create employment. We must influence the production factors by using economic criteria. This means that we shall have to create the economic conditions so that companies that are productive engage free labor.

Returning What Has Been Taken

[VECER] Mirjana Petrova and Jordanka Ivanovska from Skopje, and Nestor Nestorov from Struga, wanted to know about the Law on reprivatization, that is, denationalization.

[Krstevski] The LP supports ownership changes and it advocates a high degree of privatization. A precondition for this transformation in ownership must be the law on reprivatization, which will return properties to those persons from whom they were taken away in various circumstances in the past.

[VECER] Nikola Kirov, owner of a private company in Skopje, suggested organizing a campaign to give one liter of milk daily, free of charge, to children up to a year, and to give one liter of milk, one kilogram of bread, and a packet of cigarettes to the elderly. He also proposed setting up a special fund for this purpose.

Krstevski first explained the LP's positions on social policy and insisted on the organization of tax policy, above all as a strategy to provide real financial resource for social needs.

[Krstevski] Regarding your idea, it is of a humanitarian nature, and I do not see why it should not get larger support.

[VECER] Ilija Dimevski from Struga asked whether the liberals can solve the problem of hard currency savings and whether they are prepared to organize an international auction for the sale of a bigger investment in Macedonia.

[Krstevski] We are not in a position to tell you whether this question can be solved with one action only. The problem began many years ago and it has grown with the development of the economic crisis. This money should be returned, but not by printing new money and raising new debts. It should be returned from real sources. The basic precondition for this is the policy of efficient economy which will help economic development. After that the banking system should be rehabilitated. Parallel with all this, we must continue with the sale of state apartments and offices. Third, we must motivate the people who have been saving hard currency to use part of their savings to buy shares in the privatization process.

Ethnic Albanian Leader on Election Strategy

AU0410120594 Skopje VECER in Macedonian 20 Sep 94 p 4

[Unattributed report on "PDP election headquarters spokesman Muhamed Halili answering questions by telephone": "We Shall Not Arouse Passions"]

[FBIS Translated Text] [VECER] One of the questions most frequently asked was whether the PDP [Party for Democratic Prosperity] will put forward its own candidate for president. Dragan Zafirovski from Skopje asked this. He also wanted to know whether the PDP would support Kiro Gligorov's candidature if it decided not to have its own candidate.

[Halili] We are seriously considering whether to have our own candidate for state president. We have not yet decided because, among other things, it is necessary to consult with the other Albanian political parties. A possible PDP candidate will not just be the candidate of this party, but also of other Albanian political parties, as well as of other democratic political parties that might show interest in supporting our candidate. However, we have not yet decided that, and so we cannot say whether we are going to support Mr. Gligorov in his campaign. Nevertheless, we have great respect for him.

[VECER] The same question was asked by a certain Jetmir from Tetovo, who also asked Halili for his opinion about the fact that the elections will be held under the old election laws.

[Halili] This is a law that is similar to the new one that we as a parliamentary group did not accept. The procedure for presenting candidates and for the elections is very complicated and it means that it might take a couple of weeks to reach an agreement.

[VECER] Boro Petrov from Bitola said that there are rumors, but also the newspapers write, that Kiro Gligorov, Stojan Andov [Assembly chairman], and Branko

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Crvenkovski [prime minister] will keep their positions. The question for Halili was: How satisfied will your party be if these politicians are given another mandate?

[Halili] We think that it is natural for those who are in power to struggle to keep their positions. This power struggle exists in every democratic state. The wish of our party is not important for the election of these politicians. We shall certainly respect the wish of the electors and if the majority vote for Gligorov, Crvenkovski, and Andov, we shall consider it legitimate.

[VECER] Mirko Spasovski from Skopje asked Halili to comment on [film director] Ljubisa Georgievski's candidature for president and he wanted to know whom Halili would prefer if he were a member of their party [The Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian National Unity].

[Halili] Since I am not a member of their party, I am not entitled to any preferences. On the other hand, he was elected by his affiliates and members if his party, and that is legitimate for me."

We Are Independent

[VECER] Petar Ilievski from Skopje wanted to know whether the PDP will form a coalition with some Albanian parties or whether it would run for elections independently, and he also asked about the expectations about an associated coalition.

[Halili] At this moment we plan to go to the elections independently, because we think that we need self-confirmation. Only later, if all the democratic parties in Macedonia [The Former Yugoslav Republic of Macedonia], but above all the Albanian political parties come out with an initiative for a coalition will we start thinking about that. This can happen only in some constituencies, and not in all, because we really do not need this. We think we are strong enough to win the elections alone. We shall consider it a success if we get 19 to 21 seats in parliament out of a possible 23 to 25.

[VECER] Milorad Stojmenov from Skopje asked Halili whether Menduh Taci's [PDP faction] group will run for the elections and what was happening with the court proceedings regarding the name PDP.

[Halili] We as a party are not at all engaged with Mr. Menduh Taci. He has the right to run in the elections. I recently heard that he and his affiliates will run as independent candidates. The strength of their authority will be seen at the elections. If the people really respect them, they will be elected. If they are not elected, it will mean that their credibility among the voters is not as high as they themselves thought. Regarding the court proceedings, if you mean the proceedings on the property, they are in progress. The body responsible for registration of political parties handed down to us a decision by which the PDP's legal successor is the party that participates in the institutions of power, with Abdurahman Aliti as its president, which also appoints ministers and members of parliament.

[VECER] Daniela Lazarevska from Skopje asked: There are rumors that the PDP's election campaign is being prepared from outside, by Kosovo intellectuals and citizens of Albania, by those who dream about greater Albania. Is this true and who are the people who are preparing your campaign?

[Halili] You yourself said that these were rumors, which means that you are not convinced that it is true. The PDP is an independent political party of Albanians in Macedonia and it formulates all its decisions and opinions itself. This does not mean that we exclude the possibility of cooperation and coordination with other political parties of Albanians throughout the Balkans. As far as the crucial decisions are concerned, such as whether to take part in the census or organize an election campaign, we make these decisions alone. The campaign is being prepared by a body called Headquarters for the elections. President of the headquarters is the president of the party Mr. Aliti, Naser Ziberi is the secretary, I am responsible for the press, there are also Estref Aliu, and others. All activities regarding the campaign and the candidatures are done in headquarters.

Without Abuses

[VECER] Will the nationalist intolerance settle down after these elections? Will the feelings of the ordinary Macedonians and ordinary Albanians be abused in the campaign? Goce Nikolovski from Skopje asked these two questions.

[Halili] Not after the elections. We have always worked to calm down nationalist intolerance. We believe that there is the least such intolerance within the PDP. We may be subjective, but this is what we think. We do not intend to misuse the feelings of the citizens and we think that the election campaign will be finished normally, without arousing passions. This does not mean that other parties in Macedonia will not play that game.

[VECER] Nada Likar asked two questions: I have been watching the members of parliament during the past four years. Mr. Halili is one of them, and I wonder whether his behavior teaches us democracy or anarchy? Why didn't the PDP dissociate itself from the "paramilitary" group but, on the contrary, as I could read in the papers, even supported it to a certain extent?

[Halili] Our known political and party position is that the accused in the so-called "paramilitary" affair must be released. There is nothing in what was published in VECER to prove any guilt. We start from the fact that we must have equal measures for similar cases, such as the affair known as "Bluebird," "the bombing" affair in Veles, and so on. As far as your question about anarchy is concerned, I have a different impression. I think that the members of parliament accomplished their tasks,

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and I say that in awareness of the experiences of other parliaments in Europe as well as because we have only recently started the process of democracy.

Forthcoming Elections in FYROM Viewed

94BA0412B Belgrade VREME in Serbo-Croatian 12 Sep 94 pp 28-29

[Article by Nenad Lj. Stefanovic: "Macedonia on Eve of Elections: Blockades and Bills"]

[FBIS Translated Text] *Macedonia [The Former Yugoslav Republic of Macedonia, FYROM] is the only new state on the soil of the former Yugoslavia in which special elections have not been held in the past four years and in which it has long been known that the next ones would occur on schedule, in the fall of 1994.*

The chairman of the Macedonian parliament, Stojan Andov, recently announced that 16 October is the first possible date, although not the definite date, for holding the regular elections in Macedonia. Many people at the time interpreted the reference to this date as a preelection maneuver and desire by ruling circles to "test the waters" amid publicly expressed disbelief that elections are even possible before the beginning of November. Only 10 days later, informed sources in Skopje are saying that the authorities concluded very quickly that the waters are "very hot" and that for that reason Andov will shortly call the voters to parliamentary and presidential elections on 16 October.

It appears that during those 10 days, the authorities determined that the elections should not be held too far into the winter and that every day could be precious in terms of the final outcome. Sandwiched by two blockades, to the north and to the south (in terms of effect the world community's sanctions against the FRY [Federal Republic of Yugoslavia] and the direct Greek blockade are equally detrimental to Macedonia), the economy of this state is practically exhausted, and the question is how much longer, as it is noted in Skopje with increasing frequency, "little Macedonia will be able to pay the bills of big politics."

Burning Down the Fuse

Not that long, according to some pessimistic assessments and economic calculations, without more significant financial assistance from abroad. According to a recent article in THE NEW YORK TIMES, up until November of last year (when the United Nations stopped compiling Macedonian losses from the sanctions against the FRY), the damage to the economy of this state reached a figure of around $2 billion. Monthly losses caused by the Greek blockade (imposed on 16 February of this year) amount to around $50 million. Average earnings in the economy in August amounted to 291 German marks [DM], while during the same month a basket of basic consumer goods cost DM293.

Many are predicting that late fall and early winter could thus be very tumultuous and that the fuse of social discontent and patience could burn down at the very moment when the citizens of Macedonia are to go to the polls. Shoemakers and textile workers have already taken to the streets, and recently workers at the Skopje bus factory and the ironworks also went on strike. Unemployment, bankruptcies, possible labor unrest, and frequent pressure to print immoderate quantities of money and cause inflation in order to preserve social peace at least temporarily have apparently forced the ruling team to move the elections up a little and avoid an accelerated radicalization of the political scene.

Naturally, the opposition is not wild about the idea because it feels that it has been caught "on the wrong foot." In a statement to VREME, Aleksandar Tortevski of Petar Gosev's Democratic Party says that elections in mid-October would be a "terrible manipulation of power." Similar objections are coming in from other opposition parties as well, whereby mention is made of, among other things, the excessively short, one-month election campaign if the elections are actually held in October. However, both objections—about being caught off-guard and the short campaign—are more reminiscent of typical politicized claims. After all, Macedonia is the only new state on the soil of the former Yugoslavia in which special elections have not been held in the past four years and in which it has long been known that the next ones would occur on schedule, in the fall of 1994. A short, one-month campaign obviously suits the ruling coalition best, but at the same time it is hard to believe that any party has enough money for a long and expensive campaign.

For now, the only one to show his hand has been Georgie (Dzordz) Atanasovski, a U.S. businessman and president of the North American Pan-Macedonian Congress, who has announced his candidacy as president of Macedonia. Constitutional experts and interpreters of the election law should have something to say about the candidacy of this businessman, who sees the future of Macedonia in a "broad political coalition of democratic orientation," since it is not completely clear how things stand with Dzordz Atanasovski's citizenship. Even if his candidacy is certified, Atanasovski (whose position at first glance is reminiscent of that of Milan Panic two years ago in the Serbian elections) should still not be too strong for the opposing candidate, 77-year-old Kiro Gligorov, who it is believed will remain the leader of Macedonia for the next five years as well. Admittedly, Gligorov has not confirmed that he will run, but that is viewed as a given in Skopje. The latest opinion poll showed that 77 percent of the citizens of Macedonia fully support the policy of President Gligorov. Second on the politician popularity list was Dr. Vasil Tupurkovski, who is supported by 44 percent of those surveyed, which is quite a good rating in view of the fact that this former member of the Presidency of the former Yugoslavia has been out of politics for some time now. Speculation surrounding a big "comeback" by Tupurkovski to Macedonian political

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life does not appear to be very well-founded. It would be hard for anyone to belittle the political capital that Gligorov has earned by the fact that for now Macedonia has been preserved as an "oasis of peace in the stormy Balkans." Thus, many people see Tupurkovski as the most serious candidate for the top post in Macedonia after Gligorov leaves the political scene.

Albanian Enigma

Prognoses about potential results of the parliamentary elections are incomparably less rewarding that those that apply to the presidential election. The elections are being held according to the old electoral system (attempts to adopt a new one in the Assembly failed definitively this summer) and will constitute a real guillotine for all the small parties, particularly the ones of national minorities, which will henceforth remain outside of parliament. The biggest chances are given to the ruling Social Democratic Party, which has been negotiating about forms of electoral cooperation with its coalition partners, Stojan Andov's Liberals, for some time now. The dilemma is whether to enter into a coalition before or after the elections. The capital that these parties earned through Macedonia's peaceful withdrawal from Yugoslavia and the fight for international recognition is not small. The charges leveled at them from the ranks of the opposition relating to "the most vulgar type of pragmatism" and "the sell-out of national dignity" because of the negotiations surrounding the name Macedonia make these parties' positions incomparably less vulnerable than would a possible social uprising this fall. It is most likely that the Socialist Party of Kiro Popovski will also join this "natural pact."

The fourth coalition partner in the current government—the Party of Democratic Prosperity [PDP], made up of Albanians in Macedonia—is for now the biggest unknown in the upcoming elections. Over the past year, this party has been shaken by many conflicts between advocates of the radical solution to the "Albanian question" in Macedonia and those who have supported active participation in parliament and power-sharing. No one has even tried to measure which wing of this faction-torn party has greater influence among the Albanian population in Macedonia (especially in the west). The possible refusal of Albanian parties to participate in the elections because of their dissatisfaction with "discriminatory election laws" (which is also not ruled out entirely) would lead to the total destabilization of political conditions in Macedonia. In the meantime, speaking in BUJKU, a daily Albanian-language newspaper published in Pristina, PDP leaders have declared the results of the recent census in Macedonia invalid, claiming that as many as 400,000 Albanians were not counted.

Another of the unknowns in the Macedonian elections is the fate of the so-called national bloc. The already somewhat forgotten Movement for Pan-Macedonian Action (MAAK), which brings together many Macedonian intellectuals, recently appealed to all opposition parties to come together in a Macedonian national bloc. The strongest opposition party, the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity], would apparently like to enter into a coalition with the Democratic Party, and supposedly the leaders of those parties, Ljupco Georgijevski and Petar Gosev, have already discussed this option on several occasions. In ruling circles it is said that most likely nothing will come of such a coalition, because in that case one of the two leaders would have to be "sacrificed." Georgijevski contributes to the dowry the position of the strongest opposition party, whose position, admittedly, is rather shaky, while Gosev risks losing the image of a centrist party through a marriage with the VMRO. Aleksandar Tortevski of the Democratic Party leadership says that there has been no discussion of a coalition with the VMRO. "Personally," Tortevski says, "I support the idea that in the elections our party should support prominent figures from the opposition whom we believe deserve seats in parliament. That can be done in such a way that we do not run candidates for seats for which they will run. All the speculation to the effect that if the Democratic Party and the VMRO won they would share power with Gosev as state president and Georgijevski as prime minister is completely inaccurate. If we were to win the election, Petar Gosev would be our candidate for prime minister."

The well-known Macedonian film director, Vladimir Milicin, a prominent member of the ruling Social Democratic Party, says in an interview with VREME that the upcoming elections in Macedonia could be decided by the economic question. "All other questions are secondary right now, and no one will achieve much by playing on them," says Milicin. "I do not believe that any serious person here thinks that he can win by pushing the question of the name of the state, its symbols, or foreign policy themes. That is a completely erroneous election strategy. The difficult economic situation and the continuous worsening of it caused by the sanctions and the Greek blockade, as well as the corruption problem, cannot be ignored, and looking for a way out of this situation is the only safe path to electoral success."

The experience from the first Macedonian multiparty elections, held four years ago on the eve of the disintegration of Yugoslavia, showed that almost unbelievable changes in the political attitude of the masses were possible in this region, even in the course of one week. At that time, after the first round of the elections and the major success of parties made up of Albanians, only a few days and several "people's events" were necessary to transform the sure winners in those elections into losers, and vice versa. Viewed from that perspective, a period of one month seems endlessly long for various turnarounds in public opinion. This time too, it is possible that there

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will be various people's events inspired from abroad, especially from neighbors of Macedonia that believe that this state does not stand much of a chance of surviving, or rather that it has too few "integrating forces" that can internally save it from disintegration. After all, if Macedonia has anything in abundance, it is precisely the various catastrophic and horrific options surrounding its future. Several such interventions from abroad could potentially shake up all the preelection prognoses and encourage extremists of various orientations, whom official Macedonian politics has been exceptionally successful in neutralizing over the past four years.

The one prognosis that really appears well-founded and to a certain extent rewarding on the eve of these elections in Macedonia is the prediction that it is almost certain that it will not be necessary to wait another four years for the next elections.

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Reaction to Foreign Minister's Resignation

94P20008A

[FBIS Media Note] The 16 September announcement that Lojze Peterle had submitted his resignation as foreign minister effective 1 October caused a shock on the Slovene political scene. Initial comments by representatives of governing coalition parties offered assurances to the public that there is no danger of a parliamentary or political crisis, while some opposition parties nevertheless predicted trouble for the coalition.

According to the 19 September issue of Ljubljana's leading daily, DELO, Prime Minister Janez Drnovsek, leader of the Liberal Democrats (LDS)—the ruling party in the governing coalition—stated that Peterle's resignation was "a somewhat unexpected and hasty decision," which would, however, have "no impact" on the government. He said that the government could continue to operate "normally" even if Peterle's Christian Democrats (SKD) decided to leave the coalition, adding that it was nevertheless his wish that the SKD remain in the ruling coalition, thereby contributing to the stability of the country and the coalition. He emphasized that he saw no danger of a political crisis and pledged that Peterle's departure would not change Slovenia's foreign policy or influence its negotiations with the EU, Italy, and Croatia.

Janez Kocijancic, chairman of the United List (ZLSD, former communists), a partner in the coalition, also regretted Peterle's resignation, DELO reported. In contrast to Drnovsek, he anticipated instability in the coalition, fearing that the departure of the SKD would leave the government with "a relatively weak majority." At the same time, he assured Prime Minister Drnovsek that the ZLSD would continue to participate in the coalition government and was "ready to shoulder broader responsibilities."

Ivan Kristan (LDS), chairman of the State Council, told DELO that he was convinced there was no real danger of a parliamentary or political crisis. In his opinion, the Drnovsek government is "stable enough" to weather this storm. He did, however, foresee possible cabinet changes, acknowledging that Peterle's resignation came at a very inopportune moment, when Slovenia was striving to become an associate member of the EU against opposition from Italy. Kristan dismissed speculation about early elections, stating that they were not in the interest of "either government or opposition parties."

In the same issue of DELO, Foreign Minister Peterle explained that he resigned as "a moral answer to the incorrect attitude of the LDS, which elected Jozef Skolc (LDS) chairman of the State Assembly, thereby ignoring its first coalition partner," i.e., the Christian Democrats. Nevertheless, he emphasized that his party would respect the coalition agreement and remain in the coalition until the party leadership decided otherwise.

Dimitrij Rupel, a vice chairman of the LDS, commented on Peterle's resignation in the 19 September issue of the leading Maribor daily, VECER, saying that it created considerable "instability." Rupel added, however, that he felt Peterle had not made a "final" decision because the SKD continued to remain a partner in the government. Rupel speculated that "we are possibly witnessing the first round in a game to build a new SKD-LDS coalition."

Welcoming Peterle's resignation in the same VECER issue, the Presidency of the right-of-center National Social Alliance of Slovenia (NSZS) expressed hope that the three other SKD ministers in the Drnovsek government would follow suit and that the SKD deputies in Parliament would raise an interpellation about the way the government was functioning. "We believe that the Drnovsek government will then fall and new elections will be held," their statement said.

In that issue of VECER, Janez Podobnik, chairman of the opposition Slovene People's Party (SLS), predicted the collapse of the ruling coalition, which he deemed "unnatural," stating that the only cohesive force among the coalition partners is "power sharing" rather than a joint program or a common vision for the future of Slovenia. He pointed to the subordinate position the Christian Democrats hold in this coalition, saying that Skolc's election as State Assembly chairman had effectively removed the possibility of the SKD forming a two-party coalition with the LDS.

SKD Proposes Umek as New Foreign Minister

AU0410115394 Ljubljana Radio Slovenia Network in Slovene 0600 GMT 4 Oct 94

[FBIS Translated Text] Yesterday afternoon, the Executive Council of the Slovene Christian Democrats [SKD] decided on the candidate for foreign minister. After the session, party president and hitherto Foreign Minister Lojze Peterle, when asked whether the party had put forward a candidate for foreign minister, replied to reporter Nadja Pengov:

[Begin recording] [Peterle] Yes, this is Dr. Andrej Umek, vice chancellor of Maribor University, in charge of international liaison. He earned his doctorate in the United States. He speaks English and German fluently and is adept at international relations. He has lived in the West for several years, working in Germany and Switzerland, which means that he is thoroughly familiar with the essence of Western democracies, which I consider important for this post. He agrees with the candidacy and the Executive Council today supported him with a great majority of votes.

[Pengov] Have you already sent the proposal to the prime minister?

[Peterle] As soon as this proposal is typed, we will send it to the prime minister.

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[Pengov] What are your expectations, will the proposal be accepted?

[Peterle] We must bear in mind that the prime minister has the right to reject a candidate. I expect he will not do this because I believe that we have picked a competent man with good references and a good reputation. However, I cannot guarantee anything because the prime minister has not always accepted the first choice candidate for a minister post. We shall see what he will do, or rather, when he will decide to initiative the procedure. [end recording]

Drnovsek Comments

AU0410115794 Ljubljana Radio Slovenia Network in Slovene 0600 GMT 4 Oct 94

[Statement by Slovene Prime Minister Janez Drnovsek in Ljubljana on 3 October—recorded]

[FBIS Translated Text] I did not expect the proposal, the nomination of Andrej Umek as the new foreign minister. True enough, I had heard of this possibility among numerous other names that the Executive Council of the Christian Democrats was supposed to discuss today, but I was nevertheless surprised because, somehow, this candidate does not belong to the inner circle of those who have been involved in foreign policy so far, which would have led one to anticipate his nomination as foreign minister.

This proposal only arrived an hour ago. I will take a few more hours or days to reconsider it, and I will then inform the Christian Democrats whether I agree with this proposal or whether I propose that they find a joint, probably different solution.

Election Law Passed, Elections Scheduled

AU0410153194 Ljubljana Radio Slovenia Network in Slovene 0600 GMT 4 Oct 94

[FBIS Translated Text] The State Council yesterday vetoed the Law on Formation of Municipalities and Their Boundaries. However, the State Chamber at an extraordinary session last night passed it again with an overwhelming majority.

State Chamber Chairman Jozef Skoljc will thus call elections to municipal councils and for municipal mayors in December. How shall we vote in the new municipalities? Vesna Burnik reports:

[Begin Burnik recording] Everywhere, mayors will be elected by majority system. However, there are differences concerning municipal councils. For councils with less than 12 members the elections will be direct. Municipal councils of 12 or more members will be elected by proportional system; that is, voters will choose between party lists. In smaller municipalities, it will be also parties which will propose candidates; however, there will be no party lists. In this case a minimum of 15 voters have the right to put forward their own, let us say, independent candidate. According to the law on local elections, members of the Hungarian, the Italian, and Gypsy ethnic community always vote their representatives in the municipal councils by majority system.

Until the elections, which will be held on 4 December, we will also have to draw electoral units, primarily in those areas where majority elections will be carried out. One of the rules is that each electoral unit should encompass roughly the same number of voters. This also applies to the municipalities that are divided into local, village, or hamlet communities. However, the first requirement must be met.

In the proportional system, that is, in more populated municipalities, electoral units will be formed when a council has more than 20 members. The second rule is that an individual candidate can run in only one electoral unit.

Mayors will also be elected on 4 December. Regardless of the size of the municipality, they will be elected by majority system. For this reason, parties or a group of at least 15 voters will be able to propose candidates for mayor. We can anticipate that a second round of elections will be needed for mayors' offices and minor municipal councils. Parties will definitely compete for municipal authority, be it in the form of majority in a municipal council or the mayors' office. In the second round, the two candidates that will win the highest number of votes in the first round will compete for the same post. In the event of inconclusive outcome, it will be decided by lot as to who will win the councillor's seats or mayoralty. This is what the law on local elections envisions. [end recording]

Peterle Hints at Changes to Property Law

AU0110181294 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 30 Sep 94

[Report by Nadja Pengov]

[FBIS Translated Text] As Foreign Minister Lojze Peterle said at a news conference, the government reached several conclusions today. In them it expressed a desire for good relations that should be based on European principles of equal partnership. They rejected the notion that Slovenia's accession to the European Union would be made conditional on the resolution of bilateral issues. Our country considers the EU associate membership to be a priory task and wishes to accelerate this process. A part of this process is also harmonization of the legislation with the legislation of the EU countries. For this reason, the government will propose that the State Chamber alter the section of the Constitution that refers to property issues, namely, the section that refers to the purchase of real estate by foreigners so that it matches the way such a matter is regulated by EU countries before the signing of an agreement on associate membership.

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The foreign minister also said that he will communicate with Italian Foreign Minister Martino shortly, initially by telephone. When asked whether Slovene policy has a suitable alternative if EU members side with Italy next week, Peterle replied that he did not wish for such an outcome as an Italian veto in Luxembourg would have bad consequences in both Italy and Slovenia alike, and he thus expects a consensus. He said that, in the search for a compromise with Italy, EU Commissioner Sir Leon Britten will probably also be able to contribute.

When asked who will be the new Slovene foreign minister after midnight, he replied that the prime minister knows the name, that he has made an irrevocable decision about the date, but that the current errands must be completed. Until the new foreign minister is elected, Peterle will remain in the post.

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Federal

Jovanovic Demands Lifting of Sanctions

AU0410183594 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 2 Oct 94 p 2

[Interview with FRY Foreign Minister Vladislav Jovanovic by Tereza Guld in New York; date not give]

[FBIS Translated Text] [Guld] We asked FRY [Federal Republic of Yugoslavia] Foreign Minister Vladislav Jovanovic, who had already been in contact with some 20 colleagues this week in the UN Headquarters, whether he thought that his two-week visit was yielding results. He was just between talks with Iraqi Deputy Prime Minister Tariq 'Aziz, and Bulgarian Foreign Minister Daskalov.

[Jovanovic] I do not know whether it is yielding any results, but one thing is certain: We have been received kindly by all our collocutors, including those from the Islamic world. They have expressed understanding and open support for the policies and attitudes our government has displayed regarding the Bosnian crisis.

[Guld] Has it been better than you expected?

[Jovanovic] It is better in the sense that I did not expect such sudden and significant psychological openness by some Islamic countries. I had thought that their reservations, their negative views were more lasting, that they would wage war until the end.

[Guld] What does that mean?

[Jovanovic] That means that these Islamic countries are feeling increasingly isolated as the end of the crisis is approaching, and as our policy is encountering increasingly positive signals. They feel the need to catch up with the rest of the world so as to maintain their influence on the development and outcome of the crisis. (He is referring to the cordial meeting with Turkish Minister Soysal, who accepted the invitation to come to Yugoslavia.) The other impression and result of these talks is the very good understanding we found in most, if not all, our collocutors that the sanctions are in fact the largest obstacle to peace, and that the lifting of all the sanctions immediately would bring peace.

Absurd Impression

[Guld] Have you proposed that Resolution 820 be lifted first?

[Jovanovic] No. I have been stressing everywhere that the overall lifting of the sanctions would open the road to peace, and that peace would be the inevitable consequence of such a move. Therefore, the maintenance of the sanctions when Yugoslavia has fulfilled all the conditions from Resolution 757, and has gone even further, has become absurd.

[Guld] The sanctions were absurd even when they were introduced, since the secretary general at the end of May 1992 had sent a report to the Security Council saying that the Yugoslav People's Army had withdrawn from Bosnia.

[Jovanovic] That is absolutely true. They were not only absurd, but also illogical when they were introduced. My colleagues, ministers of foreign affairs, know this but they can do nothing about it, as that was the will of the great powers. They based their accusations against Yugoslavia on presumed guilt, which has never been proven simply because there is no evidence. That fabrication had to collapse sooner or later. Our peace-loving moves during all this time of the crisis have made it increasingly difficult for other countries to maintain this absurd impression of Yugoslavia. The fact is that we supported all five peace plans for Bosnia, from Cutilheiro's to the latest Contact Group one, and that throughout this period we have favored dialogue and a political solution, and have been calling for respect of the plan so as to halt the war in Bosnia.

Victim of Campaigning

[Guld] Which of the meetings here would you single out as the most cordial?

[Jovanovic] I can say that none of them one was not cordial. They were all pleasant. Yugoslavia and its peaceful policies have not been criticized at all.

[Guld] Unlike last year at about the same time?

[Jovanovic] Last year marked progress in comparison with the year before.

[Guld] So 1992 was the worst?

[Jovanovic] That was the most critical year. The meetings then were rather "sour" since our collocutors were strongly influenced by the political satanization of the Serbian people and Yugoslavia. It was very difficult to change their view because it was like lava, covering the thoughts of our collocutors. They were simply the victims of that anti-Yugoslav campaign, mostly unwittingly, too.

[Guld] Have you tried to establish contact with the Americans since you got here?

[Jovanovic] Not here, but there was a point that indicated that contact could be established. They are keeping their reservations until further notice, perhaps because of the obligation that still have toward the Islamic world.

[Guld] The U.S. representatives had a chance, however, to hear the views of the Yugoslav Government since Vladislav Jovanovic presented them at the open debate in the Security Council, at which the extension of the UN Protection Force [UNPROFOR] mandate was discussed. Minister Jovanovic argued that the extension of the UNPROFOR mandate should not be politicized, as Sacirbey [Bosnia-Herzegovina Ambassador] and Nobilo

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[Croatian Ambassador] were doing, since "the extension of the mandate and the protection of the Serbian people (in the UN Protection Areas) cannot be used as an instrument of political pressure by one of the sides in the negotiating process."

At the end of his address, Minister Jovanovic reiterated that his government thought that the immediate and unconditional lifting of all the sanctions against the FRY was the most effective way to return peace to the Balkans.

[Box, p 2]

Equal Rights

[Guld] What did you say to Antonio Martino [Italian Foreign Minister] so as to make him so adamant at the dinner for the seven most developed countries and Russia at the Mayfair Hotel that more flexibility should be shown toward the Serbs? Before that, during the general debate, he said that Italy had been in favor of lifting the sanctions from the start of the war.

[Jovanovic] I told him that the policy of pressure, and sanctions are a form of pressure, had not yielded a single positive result in solving the Yugoslav and Bosnian crisis. I said that it fed off revanchism, and was inclined toward solutions that favor one side in the civil war in Bosnia-Herzegovina, and not toward solutions based on consideration for equal rights. I said that the policy of pressure should be replaced by a policy of equal approach to all the sides. I also told him that the Serbs in Bosnia would be more inclined to accept the Contact Group plan if it were more precise concerning constitutional arrangements, and if these were presented in written form. The plan by the European Union last year was more precise about these things. If the union of Bosnia-Herzegovina were to consist of two state entities that would be named the Bosnian federation and the Srpska republic, and if both entities had an equal right to form confederal ties with another state, if they wished to, then this would help a lot. It might not prove decisive, but it would help get the Bosnian Serbs more interested in the plan.

Prime Minister Hails Resolution Easing Sanctions

LD0510013694 Belgrade TANJUG in English 2309 GMT 4 Oct 94

[FBIS Transcribed Text] Belgrade, Oct. 4 (TANJUG)—Yugoslav Prime Minister Radoje Kontic said Tuesday that the coming into force of the resolution easing the anti-Yugoslav sanctions was a "big event of exceptional importance".

In a statement to TANJUG and Belgrade Television, Kontic said that the coming into force of Resolution 943 was an "even bigger event than we could possibly imagine at this time".

United Nations Secretary General Butrus Butrus-Ghali informed the U.N. Security Council on Tuesday that the civilian mission to the Yugoslav border with the Bosnian Serb republic had confirmed that Belgrade was consistent in its blockade of the Bosnian Serbs.

This signalled the start on Wednesday of a 100-day period in which the sanctions shall be eased in sports, culture and international traffic.

Last Friday, the Security Council eased the sanctions against Yugoslavia in recognition of its support for the "Contact Group" plan for dividing Bosnia Herzegovina.

The Yugoslav Federation of Serbia and Montenegro broke off all ties with the Bosnian Serbs in early August because of their refusal to accept the plan.

A plane from Moscow will be the first to land at Belgrade airport on Wednesday afternoon, carrying Russian presidential envoy for the former Yugoslavia Vitaliy Churkin, according to reports.

Kontic said that the easing of the sanctions was an opportunity for the truth about Yugoslavia to make its way into the world, resulting in turn in the lifting of the rest of the sanctions.

Russian Official: Sanctions To Be Lifted

LD0410140494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1329 GMT 4 Oct 94

[FBIS Translated Text] Moscow, 4 Oct (TANJUG)—Partial lifting of sanctions against Yugoslavia takes effect on 5 October, said Mikhail Demurin, an official representative of the Ministry for Foreign Affairs, in Moscow today.

As he put it, UN Secretary General Butrus-Ghali submitted a document to the UN Security Council in which he says Belgrade is fulfilling its obligations regarding the closed border with Bosnia.

Demurin says that if Belgrade continues its constructive cooperation with the international community regarding the resolving of conflicts in the former Yugoslavia, the other restrictions imposed by the UN Security Council will also be discontinued.

Army Chief, Russian Envoy Discuss Cooperation

LD0410170294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1406 GMT 4 Oct 94

[FBIS Translated Text] Belgrade, 4 Oct (TANJUG)—Colonel General Momcilo Perisic, chief of the general staff of the Yugoslav Army, today received Gennadiy Serafimovich Shikin, ambassador extraordinary and plenipotentiary of the Russian Federation to the Federal Republic of Yugoslavia, and military attache Viktor Dimitriyevich Shipilov, the information service of the main headquarters of the Yugoslav Army has announced.

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The lengthy, friendly, and cordial talks centered on the promotion of cooperation and friendship between the peoples of the Federal Republic of Yugoslavia and the Russian Federation, as well as certain topical issues pertaining to cooperation between the two armies, the announcement said.

National Bank Governor Praises Economic Recovery

LD0410221294 Belgrade TANJUG in English 2053 GMT 4 Oct 94

[FBIS Transcribed Text] Belgrade, 4 Oct (TANJUG)—Yugoslav National Bank Governor Dragoslav Avramovic said Tuesday the program of Yugoslavia's economic recovery had yielded very good results.

"It is evidently one of the speediest recoveries in the world," Avramovic told a press conference in Belgrade. He presented statistical figures to illustrate the economic results.

Since January 24 this year, when the implementation of the program began, until September 29, retail prices went up 3.7 percent, Avramovic said.

Before the implementation of the program which was conceived by Avramovic, inflation in Yugoslavia had reached the world record inflation of 3500 billion percent annually.

According to the figures presented by Avramovic, the prices of goods went down 12.2 percent from January to September, while services went up 23.3 percent.

Industrial production in late August was twice the figure in late January (with the exception of the power industry). If the power industry is included, then production went up 31 percent.

(?Production) in July 1991, before the outbreak of the civil war in former Yugoslavia, was twice higher than in July this year.

"However, for objectivity's sake, we must consider structural changes, the unemployed capacities because of the disintegration of the former Yugoslavia's market and the sanctions, which statistical figures do not show," Avramovic said.

Federal Government Reorganization Explained

AU0410114394 Belgrade NEDELJNA BORBA in Serbo-Croatian 17-18 Sep 94 p 9

[Article by Bojana Jager: "Coalition Government of Socialists"]

[FBIS Translated Text] In explaining his new team, the reduced number of ministries and ministers and how they were selected, Federal Prime Minister Kontic took special care to dispel at least two "doubts" about the federal government reorganization immediately before the names of "the reliable people" who should be part of the new federal government led by a "chancellor" were finally published. Kontic said that there had been no "personnel speculations" in the election procedure, and that the government cutback did not have anything to do with the tendency to reduce the federal state's importance in economic and political life to the benefit of the republics.

The first statement should be understood as an assertion that people whose main credentials are their party merits and membership did not enter the government, although it is known that the new federal government is exclusively made up of members of the two ruling parties in Serbia and Montenegro. Since links broke between the DPS CG [Democratic Party of Socialists of Montenegro] and NS CG [People's Party of Montenegro], there have been no representatives of this other Montenegrin party in Kontic's team, whereas in the former federal government it had several ministers who supposedly gave it a multi-party character. Since no other coalitions have been founded, Kontic's new government has remained "pure," which automatically raises the question of how the ideas and intentions of the Serbian and Montenegrin Socialists will in the future pass through the Federal Parliament Chamber of Citizens, before which the new government will act as a minority government.

Federal Powers and Consensus

In the federal prime minister's view, the new government will lead a "modern, competent and efficient" federal administration and will be in charge of federal constitutional matters. There is one "but," however; these powers have not yet been taken back from the republics, which usurped them during the dissolution of the former Socialist Federative Republic of Yugoslavia. Apart from, let us say, objective reasons, such as the non-existence of the necessary legal and financial conditions, Kontic also mentioned "the lack of political consensus." In other words this means that the federal state has lost what, according to the constitution, it does not have much more easily than it can obtain what it is entitled to according to it.

Why only 10, and no longer 17 federal ministries? Kontic says that all former ministries have been abolished and completely new ones with synthesized functions established. Four federal ministries did not have the necessary number of functions at federal level, since the duties are generally performed in the republics, so they have been abolished: the ministries of education and culture, sports, environment, and human and minority rights. Explaining why there is no longer a ministry of agriculture in a state that used to have food shortages and is today confronted with a food surplus, Kontic said that this did not mean that the federal government would not treat this issue since it was increasingly important for the national product of a country that is becoming increasingly agricultural. These tasks will, however, be taken over by the Ministry of Economy. There is no ministry of economic relations

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with other countries, which, admittedly, did not have much work because of the blockade, but it can be expected that there will be more and more work in this field after the sanctions are eased. The federal functions in this field will in future be performed by the Ministry of Trade. The former federal ministry of information has also lost its status because of lack of functions. It has been transformed into the Federal Department of Information. Reporters have asked whether the new organizational form meant that the new department would have fewer powers; whether, for example, the department head would be allowed to withdraw credentials from foreign reporters like his predecessor. Kontic answered: "A new law on information is being prepared, and it will clearly define powers in this regard."

People for the Present Moment

Why have some people left the government, while others remain with another function, even though their portfolios have been abolished? The answer could be the same as the official one—the portfolios have been merged, and the duties have to be performed more efficiently, in accordance with the present economic and political times. This is true in the case of Zeljko Simic, former vice-chairman of the federal government, whose tasks were transferred to the Ministry of Foreign Affairs, which is still led by Vladislav Jovanovic. Kontic claims that there is no question that Simic is still a man for these times, he even claims that he has to be given credit for the improvement of the government rating, but people are still asking themselves whether there is something more behind the whole case. This explanation cannot, however, be applied to the change of the head of the Federal Ministry of Internal Affairs. Djordje Blagojevic, the former minister, known as a "soft and quiet man," was replaced by Vukasin Jokanovic, a man who is said to have proved his qualities as the SPS [Socialist Party of Serbia] man in Kosovo. He is well acquainted with the situation in Kosovo since he was the head of Gnjilane Commune for two terms and chairman of the Regional Parliament of Kosovo. When Mihalj Kertes recently became head of the Federal Customs Service it was explained that every period looked for a man of certain capabilities, which the above mentioned government official promptly proved to have. The same is true of Jokanovic, but it remains to be seen what needs and duties the future federal police should or could have.

Zeljko Simic, former vice chairman of the federal government, Djordje Blagojevic, former minister of internal affairs, Zoran Stojanovic, former minister of justice, Blagoje Lucic, former minister of transportation and communication, Velibor Popovic, former minister of labor, health and social welfare, Koviljko Lovre, former minister of agriculture, Milorad Unkovic, former minister of economic relations with other countries, Tomislav Simovic, former minister of economy, Dusanka Djordan, former minister of environment, Slavko Gordic, former minister of education and culture (since this ministry has been closed down, the question has to be asked whether the federal state will still cherish relations with religious communities), Milan Dimitrijevic, former minister of science, technology, and development, and Slobodan Ignjatovic, former minister of information (he has already obtained a new job with "Politika" Company) lost their positions in the federal government. Djordje Vukcevic was dismissed from the position of the secretary general of the federal government.

There remained in the government—admittedly as ministers without portfolio—Margit Savovic and Zoran Bingulac, but they have been entrusted with the same tasks they had as ministers. Tomica Raicevic and Vuk Ognjanovic also remained in the government, but it is not known yet what their future tasks will be. There were rumors before that some of these people were extremely interested in remaining in the Federation Palace, and that a compromise should have been reached on their further employment on the level of the republics. As far as Vuk Ognjanovic, former federal minister of finance, is concerned, it can be said that he has been dogged by bad luck since the conflict over the position of the former National Bank of Yugoslavia president between Serbia and Montenegro. Ognjanovic made the leadership, who supported Avramovic's program, relatively angry last summer because he stated—against the agreement—that the federal budget could not work without a controlled deficit yet. There were people who thought that that "mine" could have caused his dismissal. This was not the case, however; Ognjanovic is only waiting for new duties.

Serbia

Marjanovic Expects Further Easing of Sanctions

LD0410202094 Belgrade TANJUG in English 1808 GMT 4 Oct 94

[FBIS Transcribed Excerpt] Nis, Serbia, Oct. 4 (TANJUG)—Serbian Premier Mirko Marjanovic said Tuesday in Nis, southeast Serbia, he expected the further easing and eventual complete lifting of the sanctions against Yugoslavia.

"This is not a reward by the international community to our country, but a belated recognition of the peace policy we conducted since the very start of the Yugoslav crisis," Marjanovic said.

Marjanovic was meeting with the politicians and businessmen of the Nis district.

The United Nations Security Council on September 23 suspended air transport, sports and culture sanctions against Yugoslavia in recognition of its support to the "Contact Group" plan for Bosnia.

The Security Council imposed comprehensive sanctions against the Federal Republic of Yugoslavia on May 1992 due to its alleged involvement in the civil war in neighboring Bosnia-Herzegovina. [passage omitted]

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Problems With Firms Owing Customs Fees

94BA0415A Belgrade NIN in Serbo-Croatian 10 Sep 94 p 13

[Article by Goran Volf: "Forwarders Are Chasing Phantom Firms"]

[FBIS Translated Text] Mihalj Kertes, general director of the Federal Customs Administration, said recently that the state is owed all of 466 million dinars in unpaid customs fees. The Federal Customs Administration is billing forwarders for a large part of that money.

Because of this problem, the accounts of the largest Yugoslav forwarders were blocked by order of the Customs Administration on 12 August; they are being required to settle their obligations to the state. The federal government has also taken an interest, and has decided to extend the deadline by which payments due are to be made to the state until 1 November of this year, and the giro accounts would be unblocked in the meantime.

The New Director Found Chaos When He Arrived

This large sum of money being sought by the Federal Customs Administration consists of debts accumulated from 1992 to this spring. Many enterprises, especially private firms that are actually importers of goods on which customs have not been paid, have disappeared and been terminated in the meantime. Many of those phantom firms were in fact opened in order to import two or three truckloads of cigarettes or similar goods and immediately shut down in order to cover their tracks and avoid payment to the state. But on the basis of pending bond notes, which forwarders have guaranteed, the latter are now required to pay those obligations. There is no doubt that the forwarders themselves bear a large part of the blame for all this, because often they did not keep track of the goods, they did not obtain money guarantees from the importers, or they did all this, but did not meet obligations to the state.

Some of the blame is certainly borne as well by the customs service itself, because its operation was extremely inefficient until the change of the general director. Mr. Kertes himself says that when he took the post of customs director he found 38,000 pending cases. This is confirmed by Mr. Branislav Surbatovic, general director of Jugosped, who says that for all of two years customhouses did not keep up-to-date with sending forwarders warnings about pending bond notes issued at border checkpoints.

The obligations to the state have accumulated; the precise amount, according to Mr. Spasoje Spasojevic, secretary of the Transportation and Communications Association in the Economic Chamber of Yugoslavia, is difficult to determine, because it changes daily. The total amount of goods entering our country includes quite a bit of humanitarian aid, medicine, and food, which are exempt from payment of duty. This big problem, it is a fact, has not been solved, and only now are the real violators and real importers of goods subject to customs fees being detected.

It Is Difficult To Discover the Real Perpetrators

"Although the deadline by which obligations to the state must be met has been extended, the situation is still very unfavorable for us forwarders. We are asking for a precise definition of what the Federal Customs Administration will accept, because we are still being called upon to pay what our customers accepted as their obligation. In practice, the entire job we are now doing comes down to resolving this problem. According to our analysis, Transped dd [joint-stock company] Belgrade owes between 7 and 8 million dinars, but they are billing us for 16 million. That is why we are asking that they accept what we have discovered and bring into the situation the other government agencies such as the MUP [Ministry of Internal Affairs] so that they can continue to pursue the violators," says Mr. Miodrag Zivkovic, Transped general manager.

"A forwarder is a service organization which guarantees the customer that it will make payments to the state. All goods entering or leaving the country must be declared to the customs service within 72 hours. That is the purpose of the bond notes. But cooperation is not good between the forwarder and the customs service or police, and this has made it possible for a large number of violators of the law to go undetected. That is why, for instance, several innocent persons in Vojvodina Sped were penalized," says Mr. Milan Jantevic of Davidsped.

Recently, the carriers, those actually carrying the goods, were foreigners from Macedonia. At this point, it is almost impossible to trace them and the owners of the phantom firms and collect from them what is owed to the state. This entire chaotic situation has also been favorable to the smugglers. As we have already reported, customs bond notes have even been certified with forged seals for goods (cigarettes, coffee, alcohol, gasoline) exported from Yugoslavia to the Srpska republic, and all of this was done without payment of either customs fees or excise and other taxes, and they were simply distributed on the black market here. These rigorous measures on the part of the Customs Administration will probably force both the forwarders and the carriers to be much more cautious in future transactions, but it is yet to be seen how the problems accumulated from the past will be resolved.

Montenegro

Biographic Data on Prime Minister Djukanovic

94BA0410A Belgrade VREME in Serbo-Croatian 12 Sep 94 p 17

[Article by V.B.: "Milo Djukanovic, Montenegrin Prime Minister"]

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[FBIS Translated Text] Year and place of birth: Born in Niksic on 15 February 1962, to his father Radovan and his mother Stana, nee Maksimovic. His father graduated from law school and worked for a long time as a judge.

Education: He graduated from the Economic School in Titograd in 1986. It is interesting that he prepared for his final exams during his senior year in the current government building, where, while still a student, he worked professionally for the Presidency of the Montenegrin Youth Organization. He speaks Russian and can use English.

Career: He worked professionally as a member of the Republic Committee of the SSO [Socialist Youth League] of Montenegro, a member of the Presidency of the Yugoslav SSO, and a member of the LCY [League of Communists of Yugoslavia] Presidency. While he was in the LCY Central Committee, according to Stipe Suvar, R. Radonjic, M. Orlandic, and V. Zarkovic had a good opinion of Djukanovic. He often came to Suvar's office in the company of Slovene, Croatian, and Muslim youth organization members: At that time he was a candidate for president of the Yugoslav youth organization, "which he probably would have become if the Slovene youth organization members had not started their secessionist game." During the turmoil of the antibureaucratic revolution, he was an opponent of the replacement of the Montenegrin leadership, but he subsequently compensated for his "delayed firing" by dealing ruthlessly with the people who launched him into his political orbit. At an extraordinary congress of the Central Committee of the Montenegrin LC, he stated that the Montenegrin leadership had "paid the price of immorality and beatings." From 1989 to 1991 he held the office of secretary of the Montenegrin LC Central Committee, and at the beginning of 1991 he was elected prime minister of Montenegro. He is also the president of the Yugoslav Automobile Association, and since April 1994 he has also been vice president of the Democratic Party of Socialists.

Nationality: He declares himself to be a Montenegrin, and asserts that "Montenegro is not a Serbian state, but rather a civil one."

Family and property status: His wife Lidija, nee Kuc, and his son Blazo. During the antibureaucratic revolution, he did not wear anything but a sweater and used municipal transportation, and then he put on Armani clothing, replaced all the more luxurious official limousines, and recently moved into a very luxurious villa in an elite former officials' quarter on Gorica. He is reputed to be a very wealthy person. During his rule, all the members of his family have gotten ahead. His father Radovan swore an oath before his son Milo after being elected as a judge on the Montenegrin Supreme Court. His sister Ana, who worked at Belgrade's Intereksport, was elected as a judge at the Basic Court in Podgorica. His brother Aleksandar (Aco) went into private business while still a student: He is involved in exclusive business—trains, gasoline stations, and trading in goods in short supply—and is reputed to be one of the richest people in Montenegro.

Memorable statements: "Montenegro survived as an island of freedom when others were enslaved, so why couldn't it survive now as an island of communism?" "Let the people speak out about the introduction of a multiparty system in a referendum." "I am always dissatisfied with what has been achieved, both by myself and by others." "In order to win the voters' sympathies before the elections, the supporters of Ante Markovic's policy waved before the voters the bananas that he had allegedly obtained...."

Nickname: Razor (because of his ruthless treatment of opponents).

How he rules: He constantly announces reforms and deals of the century, and Milan Kucan, Franjo Tudjman, Alija Izetbegovic, Ante Markovic, the international community's sanctions, and lately the chetniks are to blame for his failures. Many people thought that he would not be able to cope with the office of prime minister, but he is still in the saddle. He easily got over his failures with deals of the century such as the announced Jaz, Buljarica, the concession of St. Stefan to Jezdimir Vasiljevic, and the ecological state, and people are already talking about a new one in coproduction with his business partner Ratko Knezevic.

What he is accused of: Collecting a commission from the "deals of the century," deals with the Italian mafia, "screwing" Boss Jezda, gambling.

What he will be particularly remembered for: His statement that not a single law should get in the way of a deal that is in Montenegro's interest.

Kosovo

'View From Kosovo' of Greek-Albanian Crisis

94BA0412A Belgrade VREME in Serbo-Croatian 12 Sep 94 pp 30-31

[Article by Skeljzen Malici: "Kosovo and Greek-Albanian-Macedonian Crisis: Two Hammers, One Anvil"]

[FBIS Translated Text] *The view from Kosovo of the latest Greek-Albanian disagreement indicates that those relations reflect the Balkan reality of profound national conflicts.*

The latest strain in Albanian-Greek relations is being following carefully in Kosovo as well. In statements and commentaries, political parties made up of Albanians and the local media give a central place to the course of events in Tirana, where five Albanian citizens of Greek nationality are on trial. On the other hand, the drastic measures taken by the Greek authorities, especially the

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deportation of tens of thousands of immigrants working in Greece, who have often been subjected to police beatings, even with some cases of murder, are interpreted here as a form of planned state reprisal and pressure on the young Albanian democracy. It goes without saying that the public in Kosovo supports, completely and without reservation, the policy of the current authorities in Albania, while sharply condemning the Greek policy and closely linking it to the anti-Albanian policy of the regime in Belgrade.

Nevertheless, the new strain in Greek-Albanian relations is not considered here to be excessively dramatic, and more importantly, the possibility that it could escalate and provoke war is practically ruled out. Greek aspirations to northern Epirus are regarded not only as completely illegitimate and unfounded, but also unattainable. The international community, including Greece's allies in the EC and NATO, would have absolutely no understanding for the expansionist ambitions of some Greek extremist political and ecclesiastical circles, with which even leading Greek politicians have flirted—both Papandreou, whose PASOK [Panhellenic Socialist Movement] is coming to power, and Mitsotakis, the leader of the opposition New Democracy.

Programmed Crisis

On the other hand, the Albanian public in Kosovo is very concerned about the effect that the Greek-Albanian strain could have on the Balkan crisis, especially on resolving the Kosovo question. Specifically, it is believed here that the current crisis in the southern Balkans has been programmed by certain regional centers of power in order to divert attention from the problem of Bosnia, as well as to create an artificial strategic contraposition for the next major focus of crisis in the Balkans—Kosovo. Greece is raising the question of northern Epirus and the situation of the Greek minority not because it is convinced that it has a real chance of wresting it away or gradually hellenizing southern Albania, but rather because it believes that this question can be utilized in current and future diplomatic campaigns as a direct counterweight to Albanian aspirations for the achievement of independence for Kosovo. Specifically, Greece opposes independence for Kosovo because such a development would significantly strengthen the Albanian factor in Balkan politics, thereby affecting the new disposition of forces and new relations in the region. An independent Kosovo would very quickly ensure a practically equal position for Albanians in Balkan affairs, and both Athens and Belgrade want to prevent that. Because of that, it is believed that the political actions of Athens and Belgrade are being very closely coordinated, and that this anti-Albanian policy also has influential foreign instigators and supporters (such as Russia, but according to some speculation Great Britain as well).

Greek political and strategic frustrations concerning both Macedonia [The Former Yugoslav Republic of Macedonia] and Epirus are in fact linked to the possibility of the complete land isolation of Greece by a transversal of territory with a significant or majority Islamic population, still distributed primarily in the belt of former Turkish Rumelia (Thrace, Macedonia, Albanian, Sandzak, and Bosnia), which would be economically, politically, and probably also militarily dominated by Turkey as the biggest regional force, which the new world order gives the opportunity to partially restore its old dominion. The strong pressure that Greece is exerting on Macedonia, with the tacit support and cooperation of Serbia, represents an attempt to thwart the possibility of creating this sort of Turkish/Islamic transversal at a sensitive spot. According to Greek concerns, Macedonia in and of itself is not as much a problem as is the problem of Albanians who, if they strengthen and form a state (or states) in their greater ethnic territory, could create a strong western pillar for the Turkish/Islamic transversal, whereby Greek Orthodoxy would be "cut off" from links with Serbia and further with the Orthodox east.

This paranoid anti-Turkish—or rather anti-Albanian and anti-Macedonian—policy has thus far yielded primarily strong counterproductive results. Macedonia and Albania have found their political, economic, and strategic interest precisely in pushing the old Rumelian transversal as one of the shortest paths linking Europe with the Near East. There are plans to build (or construction has already begun on) new modern highways and railroads that will link Istanbul to Skopje and beyond that to ferry ports in Albania and Italy. Greece does not have the strength to undertake the highly risky war strategy of crushing this "inconvenient" transversal, as Serbia did by pushing Bosnia into war under the pretext of solving the Serb question in Bosnia and in former Yugoslavia in general. Greece also lacks this pretext of solving the Greek ethnic question since there is not even a Greek minority in the contested areas, except in parts of northern Epirus. That is why it is desperately pushing the question of northern Epirus, deliberately creating concern among the foreign public by saying that practically all the Orthodox in southern Albania are members of the Greek minority, even though the majority of them are Albanians both ethnically and in terms of their own feelings. For example, they say that there are around 400,000 Greeks living in Albania, a figure that is frequently repeated by the Serbian media, although that is in fact the approximate number of Orthodox in Albania, of which only around 15 percent (around 60,000) are ethnic Greeks, while the others are ethnic Albanians, who have traditionally had their own autocephalous church and have historically undergone many phases of resistance to Greek assimilation projects.

Vulnerable Policy

On the other hand, the Greek anti-Albanian policy is also vulnerable and counterproductive in terms of another important aspect of unprincipledness, since it is based on the postulate of nonrecognition of the existence of national minorities in Greece itself. Greece does not allow the Albanians, Macedonians, Tzintzars, and Turks

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living in Greece to freely identify themselves as such. What right does it then have to raise the question of protection of minority rights in northern Epirus? Commentaries by the Albanian press and television are increasingly raising the question of reciprocity in ensuring rights with regard to the question of southern Epirus (or Camerija in Albanian), which in the past was settled primarily by Albanians and in which there still exist Albanian towns and semiassimilated Albanians in Ioannina, Kostur, and other major settlements.

Finally, the third counterproductive point of the current Greek policy is its failure to destabilize Albania. The current administration of Sali Berisha had not emerged weakened by either last year's or this latest strain in relations with Greece; rather, it has been strengthened. In the matter involving the trial of members of the Greek minority, Greece has in fact been taken in by Berisha's provocation, and probably also by signals from certain opposition circles in Albania who thought that a new conflict with Greece, as well as renewed expulsions of Albanian workers from Greece, could undermine Berisha's power. Berisha, however, has drawn a dual benefit from the crisis, because he has organized a public trial and thus gained the majority support of both the domestic and the foreign public. On the other hand, through the media he has organized another campaign of national consciousness-raising and homogenization of Albanians, through which he has won the political and national battle in the south of the country as well, which was becoming increasingly dependent on Greece economically, but also culturally.

Albanian opposition leaders who condemned the trial of the members of the Greek minority and have issued bitter "antiregime" statements to the Greek media, including appeals for assistance in bringing down President Berisha, who is accused of Islamic fundamentalism or of ruling Albania "like a Turk," have not fared well. A bitter campaign against them (Hajdaraga, Dokle, Ceka, Imami) has begun in Albania, and especially in Kosovo. In local news commentaries, they are called "bastards who deserve only the pillory" and they are accused of national blindness and of serving the anti-Albanian interests of neighboring countries, i.e., the "alliance around the Moscow-Belgrade-Athens axis." Opposition leaders are called puppets who "flirt with Belgrade and Athens at the expense of a solution to the Kosovo question" or who exhibit a willingness to "join the ranks of those who are ready to sacrifice Kosovo and the Albanians of Macedonia and Camerija (southern Epirus)." In some more nationally sensitive circles in Kosovo, there is also talk of some sort of Orthodox-communist conspiracy against affirmation of the Albanian national question in the Balkans.

In any event, political divisions in Albanian are no greater or smaller than they were before, but for all that the current democratic authorities have gained greater credibility for their national policy and for pushing the Kosovo question. Although Albanian President Berisha has not followed the instructions of the extremist factions of nationalists and in recent times has been more compromising in his statements about Kosovo, in Albania he is considered a politician of the "pro-Kosovo" orientation, who regards Kosovo as a question of primary national interest. Kosovo, it is felt in these circles, was and remains the Piedmont of Albanian nationalism.

It is possible to conclude that Greek-Albanian relations are on all levels a reflection of the present-day Balkan reality of profound national and state conflicts. Thus far, Albanian nationalism has not followed Serbian nationalism's path of war, but it is now on the upswing and no one knows where this path will lead. Especially if the team of rational Albanian politicians like Berisha and Rugova changes.

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